INVESTMENT ANALYSIS PRACTICUM

THE VILLAGE AT ODENTON STATION

Proposed Mixed-Use Development Project
Odenton, Maryland

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A practicum thesis submitted to Johns Hopkins University in conformity with the requirements for the degree of Master of Science in Real Estate.

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NOTICE

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EXECUTIVE SUMMARY

Recommendation

Smart Capital, Inc. should not invest in the Village at Odenton Station development project as proposed in the Offering Prospectus. The planned complex is overdesigned for the target market such that value will not exceed cost because both apartment and retail rental rates are unrealistic. However there are substantial merits to the site and concept to suggest that the company should consider working with the sponsor to revise the project scope and reduce project costs to enable more attractive investment alternatives.

Overview

As a final requirement for the Master of Science in Real Estate (MSRE) degree program of The Johns Hopkins University, the author has chosen to evaluate and critique an investment offering as if he was an acquisitions analyst with fictitious Smart Capital, Inc. The author has selected a mixed-use and transit-oriented development project called the Village at Odenton Station in Odenton, Maryland. The completed project is intended to comprise four buildings enclosing 235 rental apartments and about 60,000 square feet of leased, ground-floor retail space. The project is real, has been designed, and awaits building permit approval from Anne Arundel County. The Dolben Companies, expects to begin construction upon closing of financing arrangements.

Investment Opportunity

Smart Capital, Inc. (the Company) is an experienced and savvy asset management firm that pools funds from high-net-worth individuals, family trusts and small companies who appreciate holistic financial, market and physical acumen from their real estate advisors. The Company primarily invests in opportunistic and value-add real estate with sound risk-adjusted returns captured over a five to seven year holding period.

For study purposes, the author has created a mock Offering Prospectus (Exhibit A) to reflect a hypothetical but common financing situation where the developer finds itself in an equity shortfall situation and seeks an investment partner before it can proceed with the project. The Prospectus describes that in return for providing $2.0 million of gap equity, the investor would gain a 30% joint venture interest in Odenton Village Station, LLC that owns the land and will develop the project.

However, upon detailed investigation of the market and analysis of pro forma development and operating cash flows, the author has determined that the expected $6.27 million potential revenues are overstated for the target market. Even if the rents were feasible, the investment would only achieve a maximum 14% internal rate of return (IRR) which is less than the Company's 20% hurdle. Furthermore, to break even upon stabilization, the Project would require an exit capitalization rate of 8.1% which is lower than current buyer expectations of suburban apartments.

Since the proposed investment is not attractive, the author has quantified the parameters of an acceptable scheme. The revised project should cost a maximum of $41 million whereby a $2.0 million placement would obtain a 37% equity stake and potentially yield a leveraged IRR in the mid-teen percentages. Hereinafter the author compares the Project from both the proposed (Prospectus) and recommended perspectives.

The subsequent sections of this report review in detail the investment summary, project and site information, marketing and leasing plans, pro forma analyses, financing arrangements and risk management issues. Supplemental exhibits and references are included in the appendices.

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INVESTMENT SUMMARY

Ownership Structure

The land is controlled by an entity named Odenton Village Station, LLC (OVS). The Dolben Companies (Developer), as single member of OVS, formed the Maryland limited liability company in 2006 for the sole purpose of acquiring and owning the property. Review of the Maryland Department of Assessments and Taxation (SDAT) website (http://www.dat.state.md.us) shows OVS as a legitimate going concern. OVS owns fee simple title to the site, completed designs and site improvements performed to date.

Upon closing of the proposed financing deal, Smart Capital, Inc. (Company) would become a joint venture limited member in OVS. Developer would remain the managing member of OVS as well as the contracted development and property manager. OVS articles of organization and operating agreement would need to be revised to reflect this relationship. Smart Capital should also negotiate a development management agreement with completion guarantees, a buy-sell agreement, property management agreement, and other appropriate legal documentation.

Asset Valuation

Property value can be determined using cost, income capitalization and discounted cash flow methodologies.

As the Project is new, the offering Prospectus has outlined a development budget of $54.5 million through stabilization. Table 1 below shows the proposed budget and amounts spent to date by the Developer. Cost establishes a current benchmark but does not translate dollar-for-dollar to present or future value.

Table 1
Development Budget

Category	**Proposed**	**Spent to Date**
Land Costs	$1.8 million	$1.8 million
Hard Costs	$41.3 million	$1.0 million
Soft Costs	$5.4 million	$638 thousand
Carry Costs to Stabilization	$6.0 million	-
Total Budget =	$54.5 million	$3.5 million

A second common approach is to capitalize the projected income stream. The Prospectus has suggested stabilized net operating income (NOI) of $4.1 million (65% of $6.27 million revenues) while the author has calculated NOI about $3.3 million to be more realistic factoring in market rates and tenant rollover expenses. For those income levels and project costs, the capitalization (cap) rate would need to be 7.5% and 10.6%, respectively. Delta Associates Year-End 2009 (Delta, 2009, p. 128) report shows Metropolitan Washington garden-style apartments selling around 8% cap [for the region including urban DC], while the author's advisor (Personal communication with Jay Gouline, 9 April 2010) stated that 10-11% is closer to expected for suburban Baltimore apartments. Clearly this indicates that the value based on the Prospectus would not exceed the cost while the market value of the acceptable scheme would be on par with cost at stabilization.

The third valuation approach discounts the stream of projected cash flows to determine an internal rate of return (IRR). Smart Capital's investment hurdle rate (minimum IRR) is 20% over 5-7 years for projects of this type. The pro-forma modeling described in more detail later in this report estimates that a sufficient IRR is not possible for the Prospectus scenario, while there is potential for an adequate, but not impressive, expected rate of return through the revised scheme.

Investment Benefits

Smart Capital could expect the following benefits from investment in OVS:

- Partial ownership of a mixed-use, transit-oriented project at one of only three County town centers;
- Positive risk-adjusted return on invested capital under the revised scheme;
- Potential mid-term appreciation from knowledge-oriented job and housing growth, and
- Partial portfolio hedge against likely inflation.

Investment Risks

No investment can be made without risk which should be understood prior to placement. The author believes that the major risks of this Project can be mitigated through redesign and additional due diligence prior to closing, and appropriate oversight during construction, through stabilization, and during the holding period.

Fundamental risks include:

- Construction costs may actually exceed budget or amounts may be required sooner or later than projected;
- Construction may not be completed on time and required inspections could fail leading to delayed rental income;
- Housing and Urban Development (HUD) may not commit to the requested mortgage causing different equity and debt needs and outcomes;
- Apartment leasing may lag in time and at a rate above or below expected;
- Retail absorption may not happen as quickly or at the rates and costs expected;
- Neighborhood growth and symbiotic amenities may be delayed for years or even decades;
- Rents may be collected faster or slower than projected, and
- Property management may not provide adequate maintenance and customer service thereby changing the rollover ratio, downtime and expenses.

Transaction Timeline

The Project work based on the current design is ready to go pending approval of permits and finalization of financing. Building permits are expected in May and the Developer expects a firm commitment on the construction loan from HUD agents around April 30. The Developer needs an offer to invest from the Company no later than May 1. Accordingly the author has scheduled a Smart Capital investment committee meeting for April 29 to review this deal and decide whether or not to continue consideration.

Assuming the Company and Developer are both interested in a revised scheme, an offer letter with $250,000 refundable deposit would be presented to Developer to commence a final 30-60 day due diligence and contract negotiation period. It is Developer's intention to close this transaction and the loan by May 31, 2010. The Company will be required to fund the balance of equity obligations in accordance with the approved draw schedule throughout 2010. However, if substantial redesign and revised permit procurement are elected, the schedule could be delayed from 3-12 months.

PROJECT INFORMATION

General

According to author's review of the construction drawings, The Village at Odenton Station (Project) is planned to be a new mixed-use and transit-oriented development. The Project will include four 4-story buildings that enclose 235 rental residential apartments and approximately 60,100 square feet of neighborhood retail space on approximately 6.7 effective acres. The buildings will total about 381,000 gross square feet not including parking areas (Exhibit 2.1). Parking will be comprised of approximately 620 total spaces through a combination on lot, underground and in a structure. Also refer to the colored Site Plan (Exhibit 2.2) depicting placement of the buildings and amenities on the site.

Program of Spaces

Residential

The Prospectus primary use of all four buildings will be rental apartments with unit mixes summarized as:

57 - one bedroom with single bath averaging 806 square feet and

178 – two bedroom with two baths ranging from 1,160 to 1,440 square feet.

Each unit will typically offer the following features:

- Hot water - dedicated 40/50 gallon natural-gas hot water heater which provides both hot water for domestic use and also serves the air handlers;
- Heating/cooling - dedicated air handler unit by Aqua Therm® or equivalent connected with the water heaters for heat and an exterior electric condensing unit for air conditioning;
- Kitchens - stock cabinetry and modern electric appliances;
- Bathrooms - quality fixtures with tiled flooring and tub surrounds;
- In-unit electric washer and electric dryer;
- Interiors - painted walls and ceilings with carpet or hardwood flooring, and
- Safety - fire sprinkler, smoke and carbon monoxide detection and centralized access control.

Apartments will be served by these utilities and services:

- Electric - individually metered and paid by each tenant;
- Natural gas - individually metered and paid by each tenant;
- Water and sewer – sub-metered and reimbursed by each tenant;
- Trash removal - paid by landlord as part of rent, and
- Telecommunications - phone, CATV and Internet made available for each tenant to contract with providers.

Commercial

The Project will include commercial space throughout the ground floor at three of the four buildings. Those areas will be 23,900, 15,500 and 20,800 gross areas respectively in buildings 1, 2 and 3. Spaces will be available for lease to primarily neighborhood retail uses. Units could range from as small as 1,500 gross leasable area (GLA) to a maximum of the entire respective floor (Exhibit 2.3).

Each retail space will usually be delivered in shell condition with some tenant improvement (TI) allowance funding. The shell condition of each unit will typically include:

- Unfinished concrete floor slab on grade, except building one over garage;
- Glass storefront unit(s) and front entry door(s) – quantity depends on size of space;
- Dedicated electric panels with BGE power and meter;
- Dedicated natural gas service with BGE meter;
- HVAC – water-cooled heat pump with provisions for outdoor air;
- Stub outs for cold water with sub meter, sanitary drainage and separate grease waste, and
- Perimeter walls with drywall taped and spackled ready for paint.

Construction

The four buildings are designed to be built with standard:

- Concrete spread footings;
- Cast-in-place concrete garage and first floors;
- Open-web wood-framed elevated floors;
- Conventional wood-framed walls and roof trusses;
- Variety of attractive brick and siding facades with operable vinyl windows;
- Sloped roofs with asphalt shingles;
- Glass storefronts and entry doors for retail, and
- Awnings and signage to enhance curb appeal.

On site amenities

The site will present a variety of standard and special amenities for residents and the public including:

- Permanent leasing office in building three;
- 3,000 square-foot community recreation room for residents in building three;
- Small exercise room for residents in building three;
- Free-standing clock tower as a special feature in accordance with the OTC plan;
- Hiker/biker trail along the south edge of the site which may be dedicated to the County, and
- Green spaces as a combination of open areas and pocket parks with native trees, landscaping, benches and public artwork displays.

Design Commentary

Upon review of the construction plans, the author notes some points regarding the fit and quality of proposed units against the anticipated demand and competitive market, including:

- The size of two bedroom apartments appears to be on the largest end of the market;
- Project costs are above market and approach the cost of single family homes;
- Unit heat is provided by natural gas vs. a heat pump – while arguably better comfort it does add substantial cost for utility meters and gas distribution piping;
- Hot water for each unit is created from natural gas instead of electric which has the same cost impacts as for space heating;
- Clothes dryers are electric instead of gas – gas equipment often costs a little more but is more efficient and could be used if the other heating is also gas;
- Cooking ranges are electric instead of gas – same impacts as clothes dryers;
- Commercial spaces are proposed with full HVAC equipment and utility stubs which is often hard to provide in a way that matches the variety of possible tenant needs, and
- No inclusion of Energy Star®, LEED® or Green Communities elements which are becoming a factor in leasing as other new buildings may appeal to renters.

Recommendations to revise the design to fit acceptable criteria are presented near the end of the Marketing and Leasing section of the report.

Team

Developer

The Dolben Companies is an experienced and award-winning multi-family developer and manager of more than 10,000 residential rental units. According to their website (http://www.dolben.com), the company was founded in 1929 and is based out of Woburn, Massachusetts. They have provided services for both owned and third-party communities throughout the Mid-Atlantic region. Based on author's conversations with local public and private sources, they appear to maintain good relations with the County, community and renting customers.

They currently manage six Maryland communities totaling more than 1,000 units. They are developing for ownership and management, a 200+ unit apartment community called "Mission Place" in nearby Jessup, Maryland. They have repeat experience in satisfying the requirements for a Housing and Urban Development guaranteed loan (Personal interview with Matt Bitar on 12 March 2010).

Mr. Matt Bitar, Regional Project Manager, has been employed with Dolben since 2001 and is based out of the local office. He seems capable of applying more than 20 years experience to deliver the project on time and within budget.

Designers

Mr. Bitar explained that the project began with architect Nelson Salabes out of Baltimore but was replaced with the current architect of record, Daniel Ball & Associates, of Columbia, Maryland. The civil engineer is Boyd & Dowgiallo, P.C. of Glen Burnie, Maryland.

Contractor

The Developer has negotiated with Bovis Lend Lease to build the Project. Dolben said that they have worked with Bovis as their construction manager on several similar projects. Bovis is a subsidiary of Lend Lease Corporation, a public company traded on the Australian Stock Exchange. They seem to be are an experienced, capable and financially strong contractor having ranked as a top 20 contractor by Engineering New Record (ENR) for 2008 and 2009. Dolben will engage them through either a fixed cost or guaranteed maximum price contract to minimize cost overruns. As part of due diligence, the Company should confirm sufficient coverage and be listed as beneficiary on Contractor's payment and performance bonds and insurance policies.

Project Schedule

The Project continues to benefit from strong County support. Design documents have been completed and submitted for building permit. Construction is planned to commence upon receipt of building permits and close on financing. Construction is projected to take a total of 24 months with first occupancy in building one by month 18 and stabilized operations by month 36.

Key Project milestones include:

December 2009 – Project submitted for building permits
May 2010 – Commitment from Housing and Urban Development on loan
June 2010 – Construction planned to commence if no redesign
November 2011 – DISA employees to start work at Fort Meade
December 2011 – First apartment & retail units in building one to be occupied
June 2012 – Construction substantially complete
October 2012 – All four buildings, garages and site construction finalized
April 2013 – Project stabilization expected

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Site and Context

Location

The site's current address is 360 Morgan Road, Odenton, Maryland 21113. Odenton is an unincorporated town within Anne Arundel County. The approximately 10.1 acre site was assembled by the prior owners from multiple parcels that previously experienced a variety of residential, storage, warehouse and light industrial uses (Boyd & Dowgiallo 2006). Please again reference the colored Site Plan included as an Exhibit 2.2.

Benefitting from an area of planned growth as shown on the Regional and Area Maps (Exhibits A1 and A2), the site is situated:

- Within about one mile of the main entrance to Fort Meade;
- About three miles from the National Security Agency (NSA);
- About six miles from Baltimore Washington International (BWI) airport;
- Adjacent to one of the busiest MARC train stations serving about 2,100 riders per day (Personal interview with Sara Boone and Lisa Webb of the Anne Arundel Economic Development Corporation - AAEDC, 1 March 2010), and
- About one mile to MD 32 which connects to the Baltimore-Washington Parkway and Interstate 95 to the west and to Interstate 97 to the east.

Neighborhood Amenities

Within the neighborhood amenities are or will be available such as:

- Odenton MARC train station across Morgan Road;
- Potential golf course within two blocks relocated from Fort Meade as part of the Enhanced Use Lease Agreement;
- West County public library within short walking distance;
- Odenton fire house (host of annual carnival and community events) two blocks away;
- An historic church on the adjacent block and those of numerous denominations throughout the area;
- Future town center of offices, community retail and restaurants in area, and
- Future transit-oriented development including hotel and structured parking.

Environmental

When the land was purchased by the Developer, a Phase I Environmental Site Assessment (ESA) was performed and discovered no significant factors. It is understood that the site had no prior hazardous uses and no known contamination. According to the 2007 Odenton Town Center (OTC) Master Plan, the property lies outside of the historic and archeological interest areas. Therefore, no Phase II ESA was performed. It also does not appear to be within any wetlands or floodplains. Review of the site plans indicates that the topography slopes from low point on the east side of the lot along Morgan Road and tapers upward in elevation to the south and west by more than 20 feet.

The Company should engage an independent peer review of the latest available Phase I ESA and have the Developer warrant and indemnify the Company for hazardous matters.

Prior overhead electric transmission lines and towers traversed along the south property line reduced usable land area and would have received negative renter perception. The Developer paid more than $1 million during the first year of acquisition to relocate those wires safely underground to accommodate the planned hiker-biker trail (Bitar interview 2010). The costs have been included in the project budget and were paid by Developer.

Storm water management (SWM) will be important elements for development. Design has been completed and approved by the County. It appears those provisions will be adequate to implement and be grandfathered against the substantially-revised SWM requirements that will impact new applicants starting later in 2010.

Entitlements

Anne Arundel County designated Odenton as only one of three centers. The OTC Master Plan covers 1,600 acres surrounding the Site (Exhibit 2.4). The County officially tracks this property as:

- Tax identification number 04-000-90040991,
- Plat 289 and Parcel 187 on Map 21 and Grid 22 (Exhibit A3), and
- Block 29 in the Core Area of the OTC (Exhibit 2.5).

Bulk zoning for OTC Block 29 limits a structure to a maximum of four stories (minimum three), a 4.0 floor-area-ratio (FAR) and 22 Dwelling Units per Acre (DUA). The OTC Master Plan further encourages commercial office and retail uses but allows for multi-family residential and most other uses except for home improvement centers and industrial uses. The Developer's intention to construct a mixture of apartments and retail on 6.7 useable acres appears to readily comply with the spirit and requirements of the OTC Master Plan.

Since the proposed project changes use and increases density of the site, Adequate Public Facilities (APFO) requirements have to be investigated. Author's review of Project site development files at the County on March 5, 2010 found that most department reviews were satisfied during the 2006-07 period. Highlights of key APFO considerations are explained below.

Residential development in Anne Arundel County is essentially controlled by the capacity of nearby public schools (Personal interview with Brenda Desjardins 26 February 2010). However, in order to encourage development within the Core Area, adequate school tests are not required per the OTC Master Plan.

Traffic is often the next critical APFO test. The Project will increase vehicular traffic onto Duckens Street and Morgan Road which connects to the main arterial of Maryland Route 175, also known as Annapolis Road. The Project will require off-site modifications to both Duckens Street and Morgan Road as described in a Development Rights and Responsibilities Agreement (DRRA) and have been included in the development budget. Morgan Road will be widened by the County to become an extension of the future Town Center Boulevard (per AAEDC interview). Once onto Route 175, vehicles can travel west about one mile to the intersection of Route 32 or east about one half mile to intersect with Route 170.

Parking for increased residential and commercial density is typically a challenge for new development projects as well. It appears that the planned development lot coverage (6.7 out of 10.1 acres) was significantly determined from the area consumed by parking. To alleviate some of that yield pressure, the site development documents requested parking count reductions from the standard 1 space per apartment and 4.17 spaces per 1,000 square feet of retail. According to the site development files, the County approved the reductions because of the Site's adjacency to public transportation at the MARC station. The site plan calls for about 620 total spaces including 91 in the enclosed garage below building one and 115 spaces on a two-story parking structure located beside building two to serve retail and some residential tenants. Otherwise the majority will be provided by on-site surface parking for residential and retail users and visitors.

A clearing and grading permit was issued in June 2006 and final site plan approved by the County in December 2006.

The OTC lies within the Anne Arundel County Priority Funding Area (PFA). While this does not directly benefit the Project, it provides some financing and tax incentives to businesses that locate within the PFA, including future retail tenants.

Utilities

Adequate utilities to satisfy the new design are also critical to any development. Based on author's personal familiarity of the area and online review of Department of Public Works records (2010) it appears that with some fairly common local extensions, utilities criteria can be accommodated reasonably. For example, electric service is available near the site from Baltimore Gas & Electric (BGE). Water for domestic and fire service appears to be adequate and available from Anne Arundel County with feasible extension of a new lateral from the water main along Morgan Road. Sanitary sewer to County processing facilities reasonably requires bringing a new lateral from about two blocks away on Duckens Street. Low pressure natural Gas service is available from BGE nearby. The County also offers cable TV, Internet and telephone service through arrangements with competitive providers including Comcast, Verizon, Millennium, and Broadstripe.

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MARKETING AND LEASING

Target Market

Demographics

Anne Arundel County is generally a homogenous and stable population. The American Community Survey (U.S. Census Bureau 2008) reveals the following highlights about Anne Arundel County:

- Population of 511,000;
- Median age 38 years with 76% over the age of 18 and 11% over 65 years;
- 70% in families of which slightly over half are married and 1/6 single parents;
- 76% of homes owned, 40% of housing with 3+ bedrooms, only 8% had one or less bedrooms;
- 75% of owners moved into their home since 1990;
- Preponderance of housing is single family detached or townhomes;
- Only 15% of buildings comprised of five or more units, and
- $1250 median monthly rent with 75% greater than $1,000.

The Internal Revenue Service recorded between 2007 and 2008 major migration inflows to Anne Arundel County from Baltimore County (10%), Prince George's County (9%), Baltimore City (8%), Howard County (7%), elsewhere in Maryland (20%), Virginia (7%), Florida (7%), Pennsylvania (4%), and California (3%).

From a commuting perspective, the Bureau of Economic Analysis (2008) found that 64% of workers in Anne Arundel County also lived in the County. Significant other employees came from Baltimore County (9%), Howard County (6%), Baltimore City (6%) and Prince George's County (4%).

According to ESRI data (2008) relevant to the Project site in Odenton:

- Approximately 116,000 people live within 5 miles and 57,000 within 3 miles;
- 59% of the population is White, 30% Black, 6% Hispanic, and 5% Asian;
- About 20% of people have a Bachelor's degree with another 10% post-graduate degrees;
- About 30,000 households are located within 5 miles and 20,000 within 3 miles and 10,000 in Odenton;
- Average household size of 2.6 persons shrinking over time, and
- 30% of households are rented with a general 4% vacancy.

The Maryland Department of Planning (2009) projects mean household growth for all of Anne Arundel County around 1% (2,000 units) per year and noted as declining summarized in Table 2.

Table 2
Households, Average Household Size and Period Growth Rates

1990	2000	2005	2010	2015	2020	2025	2030
149,114	178,670	190,225	197,775	208,900	218,000	224,575	229,500
2.76	2.65	2.59	2.54	2.50	2.47	2.43	2.41
	+9.9%	+6.5%	+4.0%	+5.6%	+4.4%	+3.0%	+2.2%

An Apartment Study released by the County's Office of Planning and Zoning (2009) determined that there are roughly 25,000 apartments in the County with an average 6% vacancy rate. Within Odenton there are 2,700 apartments (11% of County which compares similarly to the general household ratio) but with a very low 2.3% vacancy rate indicating shortage.

Economics

Job growth is essential to the prosperity of the Odenton Town Center in general and the Project specifically. Fortunately the site lies at the epicenter of much-publicized job growth related to the 2005 Base Realignment (BRAC) directive at Fort Meade and the continued expansion of the National Security Agency (NSA), both located within a few miles of the site projected to include:

- Fort Meade adding 5,700 jobs with salaries averaging $85,000;
- NSA adding 4,000 jobs with average salaries approaching $90,000;
- Many technology and intelligence services companies continue to hire well-paid employees including Northrop Grumman, Computer Sciences Corporation, and Lockheed Martin, and
- Various healthcare and medical organizations are also growing.

According to ESRI (2008), within 5 miles of the site employment is comprised of:

- Services 43.4%
- Public Administration 14.7%
- Retail Trade 11.5%
- Construction 6.9%
- Finance/Insurance/Real Estate 6.7%
- Manufacturing 5.6%
- Transportation/Utilities 5.3%
- Wholesale Trade 3.2%
- Information 2.5%

Odenton median household income (U.S. Census Bureau 2008) is approximately $88,000 slightly above the County level of $84,000. Household income is stratified fairly uniformly with 20% of households earning between $50,000 and $75,000, 24% between $75,000 and $100,000, and 22% between $100,000 and $150,000. The data trends show that income has been shifting into the higher brackets over time and should be accelerated by higher-paying Ft Meade and NSA employment growth over the next decade.

Market Demand

Apartments

Apartment demand is driven by population and household growth combined with the market and social preference of renting vs. owning. Using social data presented earlier, the Odenton area provides residence for about 20,000 households within 3 miles of the site. Applying County projected household growth of 1% per year and 30% rental ratio leads to an organic demand of 60 apartment units per year within the area.

Over the next five years, only about 30% of the roughly 10,000 Ft Meade/NSA jobs will relocate (rest will continue to live in current home and commute) and thus need housing for an additional demand at 2.45 persons/house or approximately 1,200 housing units (Dubert 2009). If 64% live in the County, 30% rent, and maybe 50% of them want to live close-by in Odenton that could create an additional apartment demand of 160 units over the next four years or potentially 40 units per year.

While difficult to quantify, the current housing market crisis suppresses apartment demand. On one hand, current homeowners struggle to sell their homes to be able to move closer to their jobs - which is why the BRAC reports (Department of Business and Economic Development 2009; and Sage 2009) note that as much as 70% of the new jobs will be commuters. Additionally, the January report from the Maryland Association of Realtors (MRIS 2010) indicates that there are over 3,400 houses available for sale in the County compared to total sales of 5,100 throughout 2009 (moderate 8 months supply). Accordingly, many local homeowners are renting out their single family homes. It appears that this situation could last throughout the lease-up period of this Project thereby adding resistance to the absorption rate.

Neighborhood Retail

Retail demand within a trade area is driven by population, income levels and consumer spending patterns (Geltner, Miller, Clayton and Eicholtz 2007). As this Project will be geared toward neighborhood and convenience uses due the site's location and space layouts analyses have been made for future residents as the primary trade area and those within a three-mile radius for the secondary trade area.

Combining data from the Consumer Expenditure Survey (Bureau of Labor Statistics 2008) and Market Profile data (ESRI 2008) an average household may spend $62,000 out of their $87,000 income in the local economy. From a Project perspective, the author expects that 235 new residents will have $14.7 million of buying power while 20,000 households in the area have a potential spending power of $1.2 billion. Breakdowns by spending category are listed in Exhibit 3.1.

The Urban Land Institute (ULI) suggests that community retail businesses typically require $150-$300 sales productivities per gross leasable area in feet (GLA) to be profitable (Schmitz, 2001). Therefore, the residents will support a direct project demand of 33,000 GLA while the three-mile market currently supports up to 1.9 million GLA (Exhibit 3.1).

Competitive Supply

Existing Properties

As outlined in the demographics section, most rental housing is provided by structures with less than five units. However there are existing competitive apartment complexes in Odenton, Laurel, Severn and Elkridge. Using online research from www.forrent.com and www.realtor.com (Accessed 28 February 2010) and respective property websites, the author has compiled Exhibit 3.2 to compare 16 selected properties for size, rental rates and amenities. In summary, one bedroom units range 690-1000 square feet (SF) with mean of 796 and monthly rent $758-1525 with average $1030 or $1.36/SF/month. Two bedroom units range 853-1168 SF with average 1016 and monthly rent $913-1905 with mean $1187 or $1.22/SF/month.

Given the nature of the site and surroundings within walking distance, there is currently limited retail competition beyond a bank and one restaurant/pub. On the contrary, within the three mile zone there appear to be an adequate number of banks, restaurants, grocery stores and other shopping establishments for the current population. Search of www.loopnet.com (Accessed 17

April 2010) exposes three grocery-anchored shopping centers with typical eating and personal service stores for their respective areas:

- Odenton Shopping Center: Established center with a Superfresh grocery store, leased all but 15,000 square feet with a market rental rate of $20/SF/year triple net (NNN);
- Piney Orchard Marketplace: Modern center anchored by a Bloom grocery store, leased all but a few thousand square feet with a market rental rate of $28 NNN, and
- Seven Oaks: New center anchored by a WEIS grocery store, more than 34,000 square feet available at a market rate of $25 NNN.

The author estimates the total of those three centers is 600,000 square feet plus another 200,000 square feet of stores mixed within smaller local offices and free-standing facilities for a total of about 800,000 square feet existing community retail space.

Projects Proposed / Under Construction

New supply of apartments has been scarce due to economic, regulatory and consumer preference. Between 2000 and 2008 the MDP recorded an average of 2,200 housing units authorized for construction in the County with 75% of permits for single family and only about 15% for rental apartments, which equates to about 330 units per year. Through February 87 multi-family units have been permitted for construction in 2010 (Department of Planning 2010).

Compilation of the first quarter 2010 subdivision reports and permits data issued by Anne Arundel County (Department of Inspections 2010) and 2009 Year-End Apartment Report produced by Delta Associates (2009c) and general news articles tracks development projects in the pipeline as listed in Table 3 below.

Table 3
Relevant Projects in Pipeline

Project	Description	Status
Elms at Stoney Run	Two phases total 386 apartments in Hanover (adjacent to Arundel Mills Mall)	Phase I constructed and 2/3 leased, Phase II underway
Mission Place	201 apartments in Jessup	Construction underway with completion scheduled for March 2011
Meade Center	43,000 SF of office, retail and corporate apartments located about 2 miles on the west end of Odenton across from Ft Meade entrance	Expect to start soon and deliver late 2010
Town Center at Arundel Preserve	242 apartments in Hanover with immediate access to the Baltimore-Washington Parkway	Awaiting building permits for start late 2010
Winmark Center II	Proposed four-story medical office building located about 2 miles on the east end of Odenton	Revised planning stages with County
Odenton Gateway	252 apartments and two retail pad sites on 12 acres located about 2 miles on the east end of Odenton	Revised planning stages with County
Odenton Town Center	128 acre mixed-use campus with plans for 3.5 million square feet of high-tech office space that meets the latest federal security requirements; according to the website www.odentontowncenter.com, when fully built over the next 30 years there will be more than 22 buildings and 12 parking garages	Two 146,000 SF office buildings expect to break ground in 2010 pending resolution between the County and developer on funding for the new Town Center Boulevard and trunk utilities lines
Odenton Town Square	Transit-oriented development (TOD) on 24 acres straddling both sides of the train station, plans for 315 residential units, transit related retail and a shared parking garage	Maryland Transit Administration as landowner soliciting bids for development
Town Centre Commons	Proposed 104 residential condominiums, 106 room hotel and 70,000 square feet of retail over 7 acres on the north side of Route 175 about two blocks away	Revised planning stages with County
Fort Meade Technology Center	On the base of Ft Meade under an Enhanced Use Lease Agreement (EULA) a total of 1.7 million square feet of office and retail space and two 18 hole golf courses over 173 acres	In design and under construction

Reliable/Broadstone	Planned 320 apartments and hotel fronting Route 175	Planning stages
Alta at Town Center	Mixed use development with 175 residential units and 15,000 SF of ground floor retail (likely grocery store) fronting Route 175	Planning stages
Commons at Shipley's Crossroads	Planned 400,000 gross leasable area of retail for up to 3 anchors and 2 pad sites located about two miles west of the site	Planning stages
Old Nevamar Site	55 acres of former industrial property considering redevelopment into 1.8 to 3.9 million square feet of mixed use located about 1.5 miles away	Trying to rezone into Town Center, environmental cleanup required
Savage Town Center	416 apartments in Annapolis Junction	Preliminary planning stage
Laurel Park	Redevelopment of racetrack into mixed uses with casino	Concept and early development stages, new owner
Preston Commons	561 apartments in Hanover	Site plan not yet approved

Three factors lean in the favor of the Village at Odenton Station. First, it is one of the earlier projects within the OTC pipeline and should be positioned to capture those retail players who want to establish a proactive presence in the core market and those residents who feel they can get an early deal in an upcoming semi-urban environment. Next, the site is located within steps of the MARC station to appeal to riders who may want to reduce car use and eliminate the daily search for a parking space. Lastly, due to limited land supply, surrounding water & sewer capacity shortage, schools capacity challenges outside of the OTC, and higher land prices, other projects must overcome even greater barriers to entry in the local market.

Absorption and Leasing

Two of the most critical factors to determine regarding the feasibility of the Project are the leasing areas and absorption timing for both the apartments and retail spaces, which will translate directly into the carry costs and rental revenue receipts.

Psychographic Profiles

Although the Project is new it must appeal to both existing and anticipated residents and shoppers. Psychographic descriptions assist with that understanding for which ESRI Tapestry™ (2008) lists the top three Odenton segments as:

- Enterprising Professionals who are "young, educated, working professionals…prefer newer neighborhoods with townhomes or apartments." This segment bodes well for the proposed Project and should be the major focus of marketing and leasing efforts.
- Up and Coming Families who are "young, affluent families with young children and are located in suburban outskirts of midsized metropolitan areas." The majority of this segment would be a good match for the Project's housing and retail offerings.
- Sophisticated Squires who "are primarily married-couple families, educated, and well-employed…prefer to commute to maintain their semi-rural lifestyle." This segment would likely be more attracted to owning or renting single-family homes but they could be expected to travel to the Project for selective shopping and eating (retail inflow).

Apartments

Given the prior information that apartment vacancy rates in Odenton are below historic 5-6% vacancy (Delta 2009b), the Village should be able to capture some existing demand, a portion of the projected organic and special growth and selected train commuters as outlined in the following table.

Table 4
Projected Apartment Absorption

Prospect Types	Capture	Annual Units
Existing Odenton Renters	3% of 2,700 units	81
Organic Renter Growth	30% of 60 units	18
BRAC/NSA Movers	25% of 40 units	10
MARC Commuters	20% of 2,100 riders/2 ppl per household x 30% renters	63
Project Total =		172/year or 14/month
Stabilization Period	95% of 235 units	16 months

By comparison, Delta Associates (2009a, Tables 2.7 and 2.8) notes average lease-up pace of garden apartments in the region has been around 4 units per month with interesting exceptions being the Lodge at Seven Oaks in Odenton stabilized in February 2009 after an average lease-up of 14 units per month and Ashbury Courts in Laurel at a pace of 8 per month through November 2009. If a substantial portion of the pipeline of residential product is constructed in the Odenton area over the coming years, downward rent pressures will likely result from oversupply.

Dolben will provide internal marketing and leasing services for the residential apartments. They will have an on-site leasing office and set up a few model apartments for showing to prospects. Available spaces will be posted in paper and online rental listings as well as on Dolben's website. They should also find a way to advertise to the Fort Meade and NSA employees and MARC riders.

Retail

The Project's ground-floor retail should capture neighborhood spending of almost all of the new residents, some of the growing neighborhood (primary trade area), a small portion of the West Odenton submarket (secondary trade area), and convenience needs of adjacent MARC riders and Route 175 vehicles.

Using 100% of the Project resident demand at previously determined at 33,000 GLA and assuming that maybe 6,000 GLA can be supported for convenience needs of commuters, leaves a need to capture about 21,000 GLA of the secondary trade area. This equates to less than 2% of the market which seems feasible especially as other development projects bring office workers to the neighborhood who require personal services and convenience items.

The author believes that retail spaces should be segmented into small (1,500 SF), normal (3,000 SF) and larger end cap (4,500 SF). Potential stores types and sizes might include:

- Apparel 3,500 square feet (GLA)
- Personal Accessories 2,000 -10,000
- Personal Care 2,000 – 10,000
- Household Furnishings 3,500 – 10,000
- Smaller Grocery Stores 15,000 - 30,000
- Restaurants 3,000 – 6,000+
- Quick Service food 1,200 – 3,500

As eluded earlier, retail absorption will probably have some early commitments from key tenants once the Project begins but then be potentially slow and erratic until more than a majority of the residences are leased following the common understanding that "retail follows rooftops."

Since Dolben specializes in residential leasing and management, they have designated Metropolitan Management Company (MMC) as exclusive broker for the commercial spaces. MMC has been marketing the proposed spaces throughout the area (see Retail Flyer of Exhibit A4) and among the brokerage community. The author understands that there have been interested parties but no specific commitments to date.

Recommended Project Revisions

Taking into account the site parameters, projected demand and current economic conditions, the author recommends that the Project scope be revised to become more feasible. Supportable revisions, in preferred order, include:

- Reduce the provision of grease waste to only select 3-4 retail spaces likely to serve small food establishments. The Project does not currently include grease or commercial dishwasher exhaust risers or parking capacity for restaurants, so there is little need for grease waste provisions to all of the commercial area as designed. This would save thousands of dollars in plumbing work and related permits.
- Don't demise, install HVAC equipment or electrical gear to each proposed retail space as exact suite sizes and requirements will vary. They can be customized in work or improvement allowances to meet the needs of a specific tenant. Up-front and re-work costs will be thereby be reduced.
- Ensure appliances and equipment for apartments are Energy Star® labeled to appeal to more sophisticated modern renters.
- Simplify the number of different apartment layouts and interior complexities to be more uniform which will reduce cost and speed up construction time.
- Make the size of the two bedroom apartments approximately 1,050 square feet which could allow a reduced building size (and cost) or maintain the total gross constant and increase the quantity of one (7) and two bedroom units (16). Although this would increase costs by about $1 million, it would generate an additional $30,000 monthly rent. Refer to Exhibit 3.3 for the Recommended Apartment Units Mix.
- Phase construction of fourth building until the other three approach stabilization. This change would reduce construction costs commensurate with leasing risk. Combined with the first recommendation, the additional 23 parking spaces required could be provided from temporary surface parking at the footprint of building four further delaying construction costs. This element has not been incorporated into the pro-forma recommended scheme.
- Don't build the garage structure. With phasing of building four, the necessary parking could be provided at that location. Since building four already sits high on the grade, it might make more sense to cut the parking garage under building four in a pedestal style. This would further delay construction costs.
- Change apartment and retail heating method from natural gas to all electric. Space heating would be provided by heat pump with supplemental baseboards at upper and end units and hot water would be served by electric hot water heaters. Going "all electric" eliminates the costs of natural gas piping to the apartments and most retail spaces.

PRO-FORMA FINANCIALS

Development Budget

The development budget must encapsulate all land, construction and carry costs until the project is stabilized. The author has developed a pro-forma model in Microsoft Excel®. An extract of that "Development" sheet is included as Exhibit 4.3 in the Appendices.

Table 5 captures the Prospectus and recommended project budget. These costs have been included and spread monthly over the development period, after deducting amounts already paid by the Developer, to create a draw schedule.

Table 5
Development Project Budget

Category	Prospectus	Recommended
Land Costs	$1.8 million	$1.8 million
Hard Costs	$41.3 million	$29.9 million
Soft Costs	$5.4 million	$4.8 million
Carry Costs to Stabilization	$6.0 million	$4.5 million
Total Development Budget =	$54.5 million	$41.0 million

The recommended scenario equates to about $159,000 per apartment unit or $107 per gross square foot. The analysis assumes that all equity must be contributed before drawing on the construction loan. If amounts due to vendors exceed available equity, loan draws are made and interest accrued through stabilization.

Since the Project entails multiple buildings, it affords for leasing and occupancy of completed buildings while others are undergoing construction. Therefore the development budget takes advantage of both residential and retail rents paid (income) prior to stabilization based on manually-entered absorption for each of the one and two bedroom apartments and small, normal and end cap retail spaces. The pro-forma gives credit to only 75% of revenues paid during development to provide a risk buffer to both OVS and the lender.

Operations Budget

Startup Costs

As stated, the operating costs incurred prior to stabilization have been included within the development project budget and offset by any revenues received prior to stabilization. For purposes of this analysis, stabilization is achieved when about 95% of the apartments are rented and 75% of the retail area is leased.

Revenues

The following table of potential revenues is derived from the Prospectus, market rates applied to the Prospectus scope, and the recommended Apartment Unit and Retail Unit Mixes shown on Exhibits 2.3 and 3.3 respectively.

Table 6
Potential Revenues

Revenue Sources	Prospectus	Market	Recommended
1 Bedroom Apartments	$701,100	$698,800	$841,600
2 Bedroom Apartments	$3,417,600	$2,793,600	$3,074,400
Retail Spaces	$2,100,000	$1,562,600	$1,562,600
Common Areas	-	-	-
Other Income	$48,000	$12,000	$12,000
Gross Potential Revenue =	$6.27 million	$5.1 million	$5,490,600

Key assumptions:

Apartments rent on an annual basis with rents resetting to market each year. Expected turnover, downtime and cost to make ready for the next tenant are indicated on the Apartment Unit mix chart to develop a rental factor for each unit type which is assumed to stay constant throughout the analysis. All utilities except trash disposal will be paid by the tenant. Leasing fees and expenses are equal to one month's rent.

Retail rent is assumed to be triple-net (NNN) with no percentage rents. Retail terms vary from 3-7 years, renewal is driven from a somewhat random toggle each year. Leasing commissions are assumed 6% for new and 3% on renewals over the full term of the lease payable in the first month of each term. Tenant improvement amounts are as noted and are also payable in the first month.

Operating expenses are sources from a National Apartment Association (Lee 2009) chart on garden style experience around the United States with major amounts as follows: Management Fee (3% of EGI), Real Estate Taxes (27 cents/GSF), Insurance (26 cents/GSF), Utilities (30 cents/GSF), Repairs & Maintenance (47 cents/GSF), Personnel ($1/GSF), General & Admin (26 cents/GSF), Advertising (19 cents/GSF), Telephone (3.5 cents/GSF), Legal & Accounting (8 cents/GSF), Security (22 cents/GSF) and Trash (20 cents/GSF). The operating expense ratio ranges from 32 to 39 % of EGI.

Collection losses are assumed 1% of rents and 2% of other revenues. Escalations for rents and expenses are pulled from a matrix sheet for each year broken down by category and vary to simulate real ranges rather than a steady average rate. No income or sales taxes are considered in this analysis.

Capital Expenses Forecast

Apartment leasing commissions and turnover refreshes are built into the rental projections and captured within the operating budget as they relate to one year periods and are not capitalized. Rental leasing commissions and tenant improvement amounts are paced within the leasing projections and roll into the cash flow statement.

Major capital expenses are projected to include:

Roof Replacements	every 20 years @ $9/square foot
Façade Repairs	every 15 years @ $1/square foot
Mechanical/Electrical	every 15 years @ $2/square foot
Parking/Sitework	every 10 years @ $1.25/land square foot
Storefront Replacements	stagger 25% over 10 years @ $7,000 per unit
General Reserves	annual miscellaneous reserve of $0.10/square foot

Discounted Cash Flow

Cash flows from revenues, expenses, debt service and capital expenses are combined on an annual basis from the development and operational periods and projected over a 20-year horizon. Please reference the Discounted Cash Flow (DCF) summary sheet included as Exhibit 4.3 in the appendices.

Net cash flows are calculated on a project basis as well as from the Developer and Investor perspectives. For each year, a potential sale is considered whereby the value is generated from a reversion of the next year's NOI divided by an exit capitalization rate which increases over time as the building ages. From the reversion, the debt balance and 3.5% costs of sales are subtracted.

Expected Returns

The expected returns from the investment may be determined in a variety of ways from a yield on cash, to yield on cost, to an IRR from the DCF. The author reviewed alternative investment scenarios with corresponding return measurements highlighted in Table 7 below.

Table 7
Alternative Investment Measures

Scenario	**Per Prospectus**	**Recommended, Developer Only**	**Recommended, With Investment**
Cost	$54.5 million	$39.9 million	$41.0 million
NOI	$4.1 million	$3.7 million	$3.7 million
Imputed Cap Rate	7.48%	9.1%	9.0%
Investor Equity	$2.0 million (40%)	$0 (0%)	$2.0 million (37%)
Cash on Cash Yields	4.9%	25.7%	25.7%
IRR at sale in Year 10	Negative	2.1%	2.7%
Positive IRR	Year 15	2019 (Year 10)	2018 (Year 9)

The differences between the Prospectus and Recommended schemes have been explained throughout earlier sections of the report. The "Developer Only" option assumes that no limited partners invest while the other includes investment by the Company as noted.

Key sensitivities relate to total cost, apartment rental rates and exit capitalization (cap) rates. For instance the recommended Project IRR in year 10 climbs to 8.6% with a $3 million cost savings and falls to (7%) with a $3 million cost increase. Year 10 IRR rises to 7.1% with a $100/unit monthly rent increase and falls to (4.7%) from a $100 decrease. IRR lifts to 5.3% using a half percent lower exit cap rate and drops to (0.5%) applying a half percent increase.

FINANCING APPROACH

Debt

Debt is often used on development projects for these primary purposes:

- Land acquisition – not needed as the Developer purchased land with its own cash;
- Construction loan – needed to fund construction costs and accrued interest, and
- Permanent mortgage – desired to leverage equity.

Due to the current general economic situation, credit availability is very constrained. There are virtually no mortgage-backed conduit programs available and most banks are not lending on new development projects unless they are for low- to moderate-income properties. Correctly so, the Developer has submitted an application to obtain a HUD 221(d)4 insured mortgage. Highlights of such loan include (HUD 2007 and personal communication with Rob Gronda of Deutche Bank on 10 March 2010):

- Maximum 80% loan amount to cost (LTC);
- Minimum 1.15 NOI to debt service coverage;
- Up to 40 year term;
- Fixed interest rate of approximately 6.25% (current) over full term;
- Interest only construction loan with conversion to permanent provision, then will fully amortize over remaining years of term;
- One of the few available non-recourse options;
- Subject to a 10-year lockout period with declining prepayment penalty after year 5;
- No income restrictions/limits for residents;
- Commercial area limited to no more than 10% of gross floor area, and
- Construction subject to applicable rental and commercial prevailing wage rates.

Of the above provisions, the Project costs do factor in prevailing wage requirements and satisfy the other criteria. However with 60,000 out of 400,000 square feet, the Project technically exceeds the 10% limit on commercial space and is awaiting an exception with the application response from HUD.

Public Sources

Anne Arundel County does not typically provide public bonds nor are there any current tax increment financing options in the Odenton Town Center. Since the project is new with market rate rents, no tax credits are available from the Internal Revenue Service or Comptroller of Maryland.

Equity

Equity will come from the following sources:

- Entitled land – assume that the Developer paid to acquire the land using all cash in the amount of $1.25 million which will be treated as equity;
- The Developer has paid certain land improvement and soft costs to date in the aggregate amount of $2.23 million, and
- Revenues prior to stabilization are available to pay for costs during development to the extent the lender allows. It would be wise to count on no more than 75% of the projected.

Scenarios of investment amounts and expected returns are described in the previous Pro-Forma report section.

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RISK MANAGEMENT

Table 8
Project and Investment Risks, Potential Impacts and Mitigation Steps

Risk Element	**Potential Impacts**	**Mitigation Steps**
Demand for retail space	Depends on consumer spending and changing demographics.	Hire good brokers. Use competitive rates. Advertise strategically.
Competitive supply of retail space	Success impacted by existing and new supply of alternative shopping places.	Market to those users who want to be in area early. Offer incentives to first users.
Ability to lease newly built spaces / absorption pace	Revenues rely on rental payments which require that existing and new spaces be leased with shortest period of downtime.	Be aggressive in knowing tenants and encouraging early renewals.
Regulations	Project must comply with SEC, zoning, site development, construction codes, consumer protection acts, and taxes.	Obtain good legal counsel. Project is almost approved for permits but if redesign need to understand newer codes and fees.
Construction costs	Investment yields will be directly impacted by how well project is completed within budget	Reduce Project cost to maximum \$41 million. Use fixed or GMP agreement with contractor. Material and labor escalation is not a large factor in next 18 months.
Construction delays	Investment yields will be directly impacted by how well project is completed on time.	Make sure the contractor agreement includes fixed dates and appropriate penalties/rewards.
Construction completion	Similar to delays concerns	Negotiate completion guarantee (scope, time and cost) with Developer.
Carry costs	Interest and operating costs are necessary as each building opens	Lease space to bring in rent as soon as possible upon each building's completion.
Timing of other OTC projects	As there is no central mass of population, this early Project may suffer from lack of amenities.	Monitor accordingly and increase marketing to compete or leverage as each project comes on line.
County funding of OTC infrastructure	County's funding of water, sewer and other infrastructure delays other projects.	Project not directly impacted but area growth heavily dependent. Promote funding.

Site plan and grading permit duration	Issued late 2006	During due diligence confirm vesting period and negotiate any required extensions.
TI allowance/costs	Costs to fit out retail spaces have the same impact as base building costs.	Minimize installation of tenant provisions until specific deal requirements known.
Apartment and retail absorption	Leasing pace of initial occupancy and renewals directly impacts returns.	Be aggressive in knowing tenants and encouraging early renewals.
Timely collection of rents	Actual collection efforts impact NOI.	Adopt and manage collections in a fair and diligent manner.
Tenant creditworthiness	Ability of residential and commercial tenants to pay impacts NOI.	Monitor payments. Maryland is strict on landlords.
Good maintenance and service	If Dolben doesn't keep tenants happy, they will leave.	Keep in touch with tenants and monitor Dolben methods.
Escalations	Increases from those modeled help revenues and hurt expenses.	Model has used varying rates for each year and income/cost type to mimic reality.
Rents	Rental rates of commercial and especially residential are key to adequate returns and value.	Monitor and negotiate deals at or below market.
Availability of permanent financing	Take out of construction loan to permanent mortgage loan can be large risk to manage.	Will not be issue with HUD program which automatically converts from construction to permanent.
Interest rates changes	Changes in interest	The proposed loan is fixed rate throughout construction and amortization period.
Environmental condition	Subject to federal and state regulations and change over time.	Revisit Phase I and II ESA prior to closing. Put in place environmental monitoring and documentation.

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APPENDICES

Offering Prospectus

Exhibit A: Prospectus

Exhibit A1: Regional Map

Exhibit A2: Area Map

Exhibit A3: Tax Map

Exhibit A4: Retail Sales Flyer

Project Documents

Exhibit 2.1: Gross Building Areas

Exhibit 2.2: Project Site Plan

Exhibit 2.3: Retail Unit Mixes

Exhibit 2.4: Odenton Town Center Sub-area Zoning Map

Exhibit 2.5: Odenton Town Center DUA Functional Plan

Market Data

Exhibit 3.1: Retail Spending and Supportable Area

Exhibit 3.2: Apartment Comparables Matrix

Exhibit 3.3: Recommended Apartment Units Mix

Pro-Forma Support

Exhibit 4.1: Project Development Budget

Exhibit 4.2: Summary of Pro-forma Results

Exhibit 4.3: Discounted Cash Flow Analysis

Due Diligence

Exhibit 5.1: Due Diligence Checklist

OFFERING PROSPECTUS

The Village at Odenton Station

Odenton, Maryland

New Mixed Use

Transit Oriented Development

February 1, 2010

Presented by:

Great Investments Brokers
Columbia, Maryland

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DISCLAIMER

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In the event of a conflict between the information contained in this prospectus material and the information contained within a specific document or report regarding this contemplated transaction, the document or report for such transaction shall supersede in its entirety any information contained herein with respect to this contemplated transaction.

EXECUTIVE SUMMARY

The Village at Odenton Station is planned to be a new mixed-use, transit-oriented development project (Project) in the town of Odenton, Anne Arundel County, Maryland. The Project will include four 4-story buildings that enclose 235 rental residential apartments and approximately 60,000 square feet of neighborhood retail space on approximately 10 acres. The site is located adjacent to the Odenton train station which currently serves more than 2,100 riders per day. Furthermore, the Project lies at the epicenter of the much-publicized knowledge-based job growth related to base realignment at Fort Meade and the continued expansion of the National Security Agency, both located within a few miles of the site.

The Project enjoys strong County support and has completed design, negotiated with a leading general contractor, and is ready to commence construction upon closing of financing. Construction is projected to take a total of 24 months with first occupancy in building one by month 18 and stabilized operations by month 36 in mid 2013.

The Project is budgeted to cost about $54.5 million. Odenton Village Station, LLC (Offeror) expects final approval of construction and permanent debt through the HUD 221(d)4 insured mortgage program for about 80% of the Project cost. Offeror is seeking one financially-strong accredited investor to participate as an equity partner in the execution of the Project. In exchange for contributing $2.0 million dollars upon closing, the investor will possess a 30% membership interest in Offeror.

Offeror intends to complete construction, lease up the units, and hold the property for at least three years following stabilization. After such time, Offeror will review all hold, refinance or sell alternatives.

Offering Highlights

- Strong demand for housing due to nearby growth at Ft. Meade and the National Security Agency (NSA) expansion;
- Great location within steps of the busiest MARC train station;
- First significant project in the Odenton Town Center to break ground;
- Reduced project costs taking advantage of the trough in construction activity;
- Experienced development, leasing and property management sponsorship; and
- Opportunity for strong risk-adjusted investment returns.

PROJECT INFORMATION

Background

The Project site is located within the core area of Odenton in Anne Arundel County, Maryland. For many years the site was comprised of various parcels with residential and light commercial uses. The parcels were assembled into one record lot which Offeror purchased in 2007. The Project received county planning and zoning approval for a complete site development plan. Offeror currently possesses a grading permit and has recently submitted for building permits with the intention of starting construction upon closing of financing.

Characteristics

The completed Project will include:

Land Area	10.1 acres; building on about 6.7 acres
Buildings	Four independent 4-story structures
Total Area	381,000 gross square feet
Apartments	235 one and two bedroom rental units
Retail	60,000 square feet gross leasable area
Construction	Spread footings, poured concrete garage and first floors, open-web wood framed elevated floors, convention wood framed walls and roof trusses, variety of attractive brick and siding facades with operable vinyl windows, sloped roofs with asphalt shingles, glass storefronts and entry doors for retail, and awnings and signage to enhance curb appeal.
Site Features	Clock tower, green spaces, pocket parks, benches, public artwork, walking trail, leasing office, community room, media room and small exercise room.
Parking	About 620 total spaces: Enclosed garage space below building one and a separate parking deck beside building two to serve retail and some residential tenants; otherwise on-site surface parking for residential and retail users and visitors
Apartment Amenities	Hot water: dedicated 40/50 gallon natural gas hot water heaters in each unit which also provide hot water to air handlers; Heating/cooling: dedicated Aqua Therm® units connected with water heaters for heat and exterior electric condensing units for air conditioning; Separate kitchens with stock cabinetry and modern electric appliances; Bathrooms with tiled flooring and tub surrounds; In-unit electric washer and dryer; Interiors: painted walls and ceilings with carpet or hardwood flooring; and fire sprinkler and smoke detection.
Utilities	Electric: Individually metered and paid by each tenant Natural gas: Individually metered and paid by each tenant Water and sewer: Sub metered and paid by each tenant Trash removal: paid by landlord Telecommunications: phone, CATV and Internet made available for each tenant to contract with providers

Team

The Project is being designed and constructed by these parties:

Architect – Daniel Ball & Associates, Columbia, Maryland
Civil Engineer – Boyd & Dowgiallo, P.C. of Glen Burnie, Maryland
General Contractor – Bovis Construction

Schedule

Key milestones of the Project's intended schedule are:

December 2006 – Site plan approved by County under previous owner
March 2007 – Offeror purchased property
November 2007 – Relocated cellular tower and moved electric power lines underground
October 2008 – Ground broken
December 2009 – Project submitted for building permits
June 2010 – Construction planned to commence
November 2011 – DISA employees to start work at Fort Meade
December 2011 – First units in building one to be occupied
June 2012 – Construction substantially complete
April 2013 – Stabilization projected

MARKET OVERVIEW

Submarket

While the Project is within the jurisdiction of Anne Arundel County, portions of Howard and Prince George's counties must be considered in the market. Furthermore, the area is centrally located between Baltimore and Washington, DC.

Some market characteristics include:

- Approximately 116,000 people live within 5 miles;
- About 30,000 households within 5 miles;
- Average household size around 3.25 persons;
- Median household income around $80,000;
- About 20% of people have a Bachelor's degree with another 10% post-graduate degrees;
- Fort Meade expanding 5,700 jobs related to BRAC relocations;
- National Security Agency adding 4,000 jobs;
- Many technology and intelligence services companies expanding including Northrop Grumman, Computer Sciences Corporation, Lockheed Martin; and
- Various healthcare organizations also growing.

Please refer to a Regional Map and Area Map included as Attachments.

Location

The site has a postal address of 360 Morgan Road, Odenton, Maryland 21113. The unincorporated town of Odenton dates back to the 1870's as an important stop along the Baltimore and Potomac railway and junction with the Annapolis and Elk Ridge railroad. The town was named after Governor Oden Bowie. For the past 40 years the town has developed a long-term plan for sustainable growth centered on the train station and its central location to jobs and people. The County designated Odenton as only one of three centers and passed the guiding Odenton Town Center master plan in 2007.

Key characteristics of the site include:

- Within the County Priority Funding Area;
- Adjacent to one of the busiest MARC train stations serving about 2,100 riders per day;
- Near a potential relocated Fort Meade golf course;
- Within walking distance of the West County public library and Odenton fire house and carnival grounds;
- Not subject to adequate school capacity tests;
- Adequate water, sewer and electric utilities available at the site or nearby; and
- Vehicular access to MD 175; only one mile to main entrance of Fort Meade, less than one mile to MD 170 which leads to BWI airport, and about one mile to MD 32 which connects to the Baltimore-Washington Parkway and Interstate 95 to the west and to Interstate 97 to the east.

Please refer to the Tax Map and Retail Leasing Flyer included as Attachments.

FINANCIAL ANALYSIS

Development Budget

The development budget and amount spent to date are as follows:

Category	Budget	Spent to Date
Land Costs	$1.8 million	$1.8 million
Hard Costs	$41.3 million	$1.0 million
Soft Costs	$5.4 million	$638 thousand
Carry Expenses to Stabilization	$6.0 million	-
Total Development Budget =	**$54.5 million**	**$3.5 million**

Unit Mixes

The following rental units and areas support monthly and annual revenues including:

Units	Quantity	Monthly Rent	Proforma Revenue
1 Bedroom Apartments	57 units	$1025/unit	$701,100
2 Bedroom Apartments	178 units	$1600/unit	$3,417,600
Retail Spaces	60,000 SF	$2.92/SF	$2,100,000
Common Areas	5,400 SF	0	-
Other Income		$4,000	$48,000
Gross Potential Revenue =			**$6.27 million**

Funding Sources

The Offeror has spent approximately $3.5 million of its own cash to date for acquisition of land, entitlements, design and some construction work. It does not anticipate contributing additional monies. However, based on the projected leasing the Project expects to capture $7.6 million in revenues prior to stabilization.

Offeror has submitted an application to obtain a HUD 221(d)4 insured mortgage. Highlights of such loan include:

- 80% loan amount to cost (LTC) which equals about $43.3 million;
- 40 year term;
- Fixed interest rate over full term;
- Interest only construction loan until permanent conversion requested, then will fully amortize over remaining years of term;
- Non recourse;
- 10 year lockout period with declining prepayment penalty after year 5;
- No income restrictions/limits for residents;
- Commercial area limited to no more than 10% of gross floor area; and
- Construction subject to applicable rental and commercial prevailing wage rates.

In consideration of monies spent, expected revenues and anticipated loan amount, there remains a shortfall of approximately $1.5 million. Offeror seeks $2.0 million from a qualified investor in exchange for about a 30% equity membership interest in joint venture with Offeror.

SPONSORSHIP

This offering is sponsored by an experienced and financially strong team of developer, leasing brokers, and property manager.

Developer

Offeror has been capitalized and managed by the Dolben Companies. Dolben is an experienced and award-winning multi-family developer and manager of more than 10,000 residential rental units. Founded in 1929, they have provided quality services for both owned and third-party communities throughout the Atlantic coast region.

They currently manage the following nearby Maryland communities:

- Riverscape Apartments in Odenton
- Groves at Piney Orchard in Odenton
- Fieldstone Farm in Odenton
- Crofton Village in Crofton
- Montpelier Crossing in Laurel
- Ashton Woods in Ellicott City

They are also developing for ownership and management, a 200+ unit apartment community called "Mission Place" in nearby Jessup, Maryland.

Please visit www.dolben.com for further information.

Leasing Brokers

Dolben will provide marketing and leasing services for the residential apartments.

However, since Dolben specializes in residential leasing and management, they have designated Metropolitan Management Company (MMC) as exclusive broker for the commercial spaces. MMC was established in 1978 and is based out of Owings Mills, Maryland. As an affiliate of Klein Enterprises, they specialize in the management and leasing of commercial real estate properties in the Baltimore Metropolitan area.

Please visit www.baltimoreshoppingcenters.com for further information.

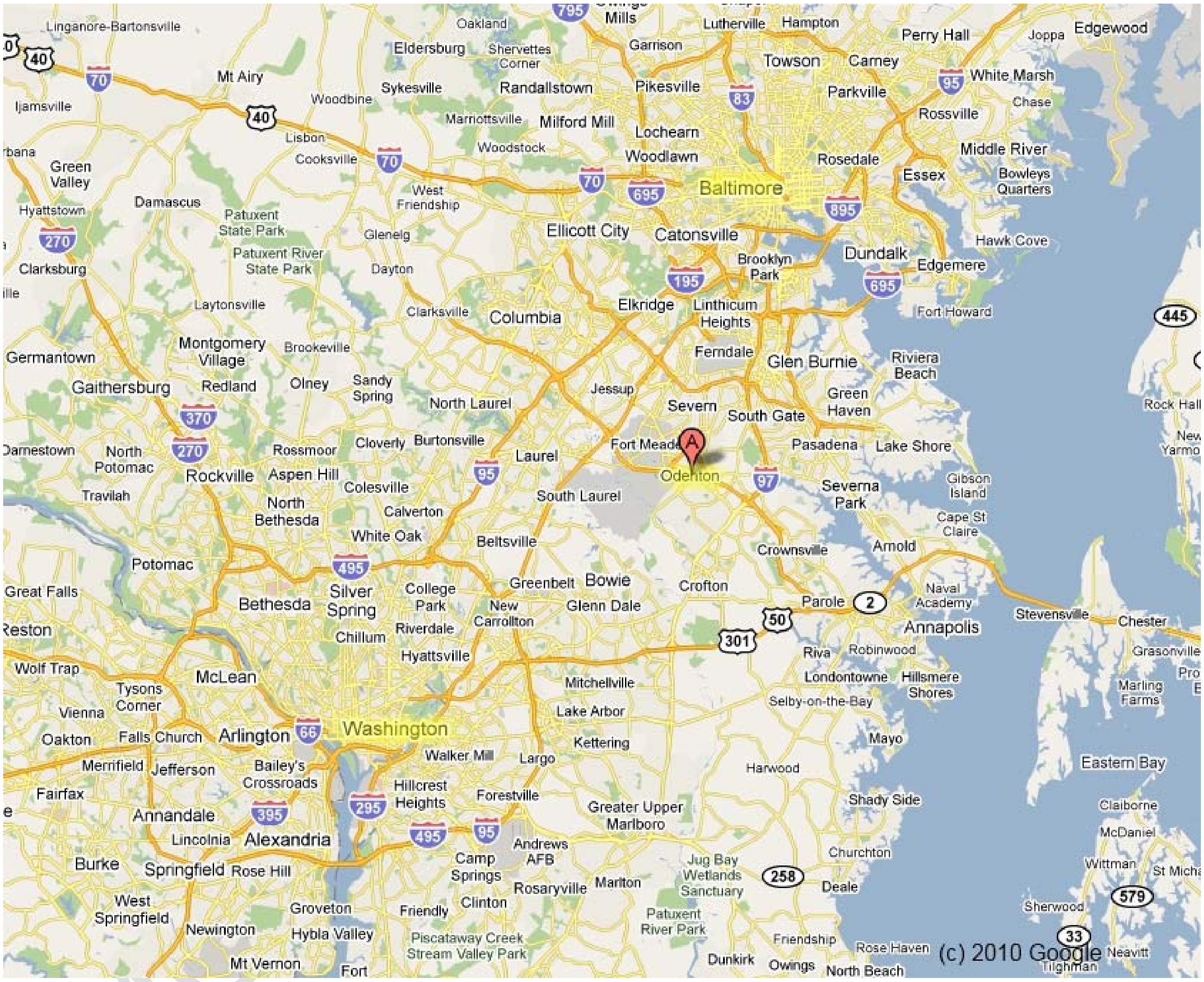
Property Manager

Dolben will provide property management services for the entire complex including the residential and commercial tenant spaces.

END OF PROSPECTUS

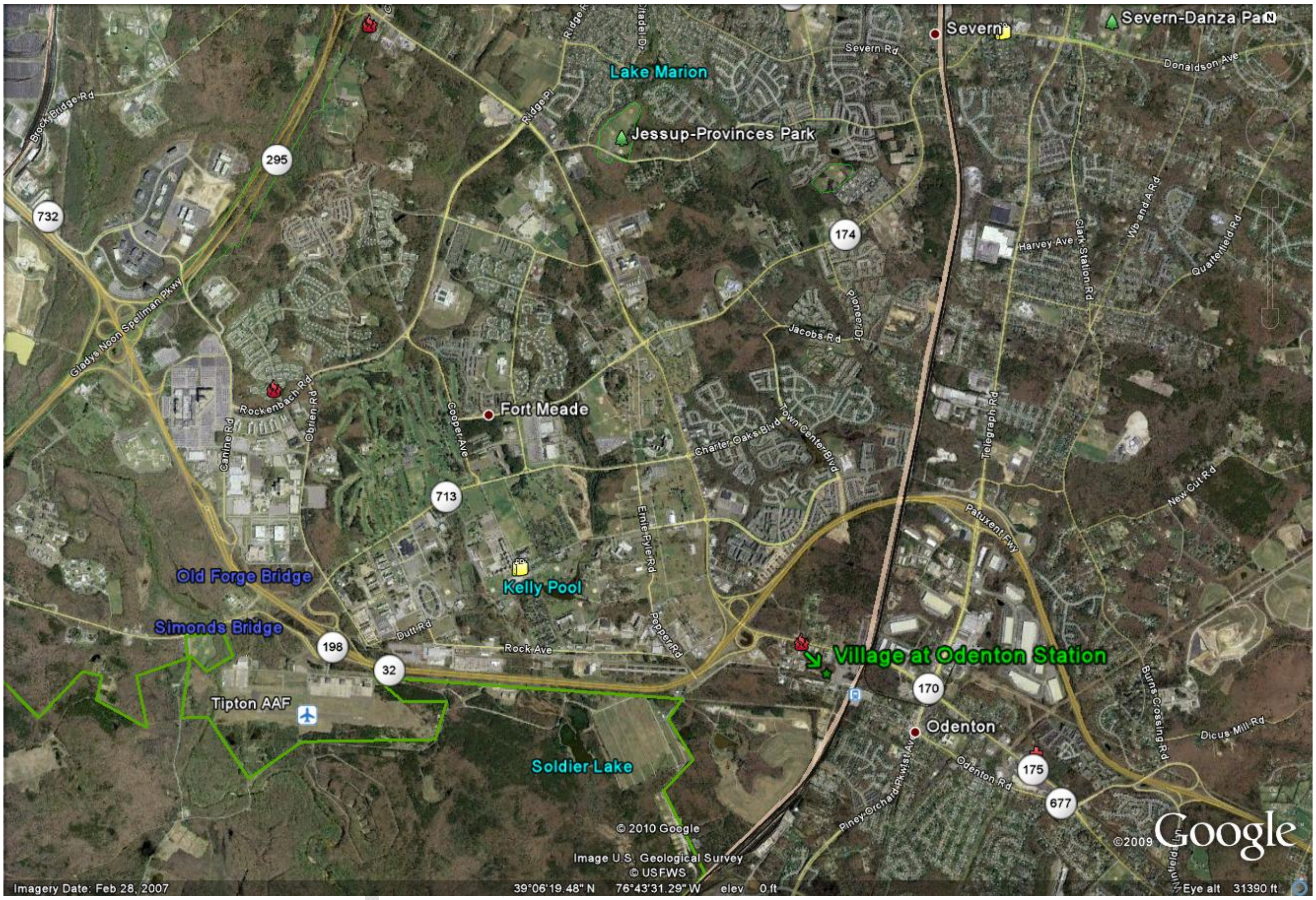
ATTACHMENTS

Exhibit A1: Regional Map



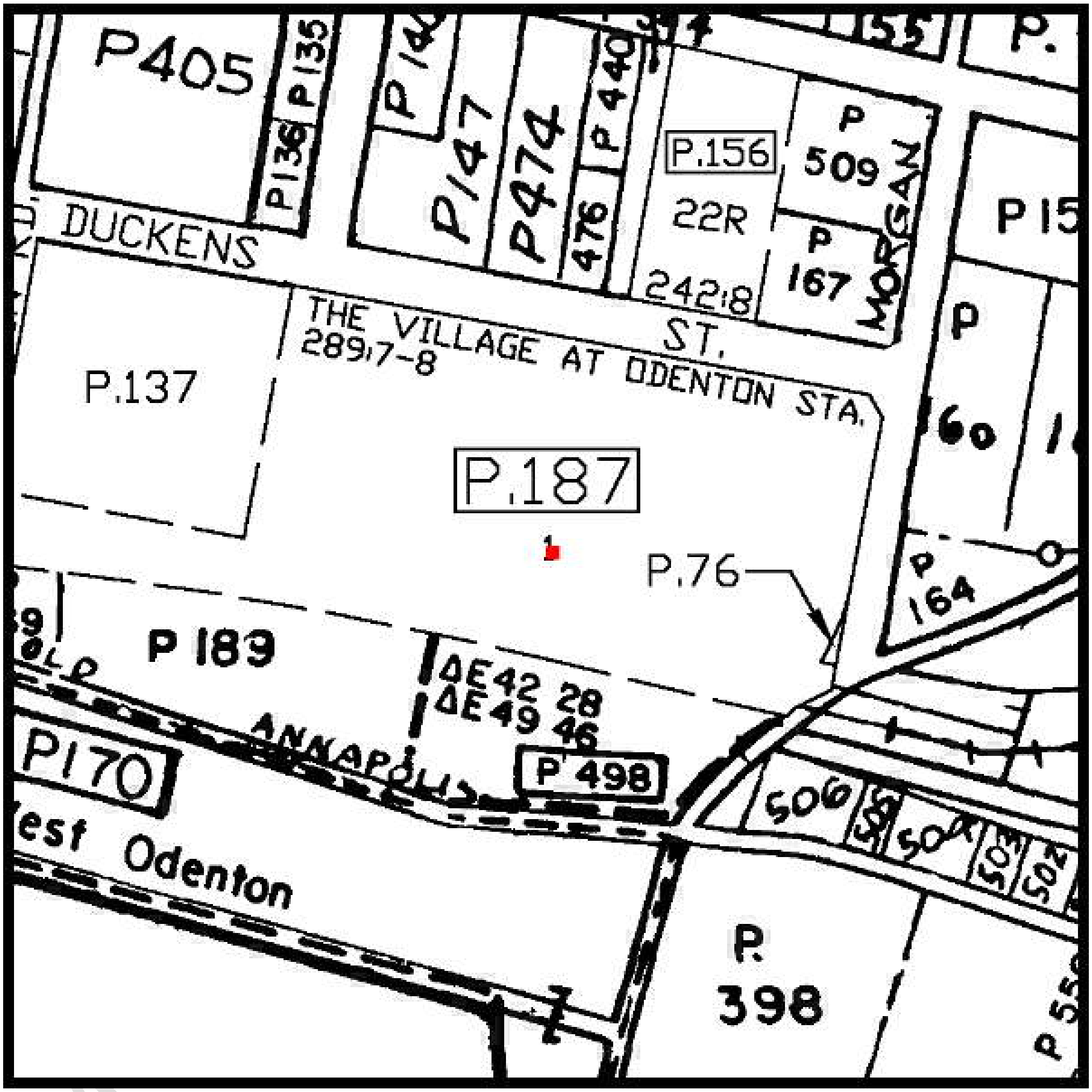
Source: Google Maps (2010) www.maps.google.com

Exhibit A2: Area Map



Source: Google Maps (2010) www.maps.google.com

Exhibit A3: Tax Map

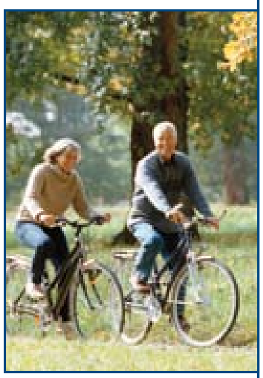


Source: Maryland State Department of Assessments and Taxation www.dat.state.md.us

Exhibit A4: Retail Leasing Flyer

(See Attached)

Retail storefront opportunities at The Village at Odenton Station



Anne Arundel County's first transit-oriented, mixed use development.

Now leasing – retail storefronts 900-9,000 sq. ft.

Located in the core of Odenton Town Center is this new 400,000+ sq. ft. mixed use retail/residential complex.

- Next to the Odenton MARC Rail Station (2,300+ commuters)
- Immediate Access to MD Routes 175, 32 and 170
- Old fashioned, pedestrian-friendly village architectural style
- 1st floor retail in 3 of 4 buildings
- Open spaces featuring a piazza, clock tower, hiker/biker trail

FOR LEASING INFORMATION, CALL

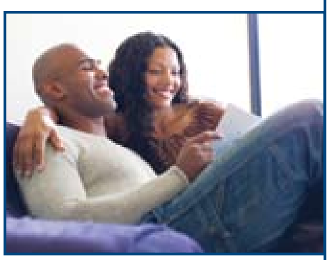
METROPOLITAN MANAGEMENT COMPANY

410-902-0290

THE VILLAGE AT
ODENTON STATION

EQUAL HOUSING OPPORTUNITY

BRAC is coming!



Base Realignment and Closure is good news for Odenton Station. We're just 2 miles from Fort Meade, which is already Maryland's largest employer with more than 40,000 on-site employees and an average daily population of 109,000 with visitors. And it just gets better! In 2010, BRAC will move thousands of government jobs onto Fort Meade's new 1.5 million sq. ft., world-class federal campus. Ground breaking is scheduled for April 16, 2008 to build the new headquarters for the Defense Information Systems Agency, currently based in Northern Virginia.

FOR LEASING INFORMATION, CALL

METROPOLITAN MANAGEMENT COMPANY

410-902-0290

THE VILLAGE AT
ODENTON STATION

Village at Odenton Station
Exhibit 2.1

PROSPECTUS GROSS AREAS - STACKING

BUIDING 1							
Floor	1Bd units	2Bd units	1 Bed	2 Bed	Common	Retail	Total
4	2	15	1800	22400		0	24200
3	2	15	1800	22400		0	24200
2	2	15	1800	22400		0	24200
1	0	0	0	0	700	23900	24600
	6	45	5,400	67,200	700	23,900	97,200

BUIDING 2							
Floor	1Bd units	2Bd units	1 Bed	2 Bed	Common	Retail	Total
4	4	10	3500	15100		0	18600
3	4	10	3500	15100		0	18600
2	4	10	3500	15100		0	18600
1	0	0	0	0	900	15500	16400
	12	30	10,500	45,300	900	15,500	72,200

BUIDING 3							
Floor	1Bd units	2Bd units	1 Bed	2 Bed	Common	Retail	Total
4	6	13	5250	19250		0	24500
3	6	13	5250	19250		0	24500
2	6	13	5250	19250		0	24500
1	4	10	3500	15300	3200	0	22000
Bsmt	0	0	0	0	800	20800	21600
	22	49	19,250	73,050	4,000	20,800	117,100

BUIDING 4							
Floor	1Bd units	2Bd units	1 Bed	2 Bed	Common	Retail	Total
4	4	14	3500	20150		0	23650
3	4	14	3500	20150		0	23650
2	5	13	4375	19275		0	23650
1	4	13	3500	19200	1350	0	24050
	17	54	14875	78,775	1,350	0	95,000

TOTAL=	57	178	50,025	264,325	6,950	60,200	381,500
	24.3%	75.7%	13%	69%	2%	16%	100%

Parking Garage (Basement Building 1 -> 92 spaces)		40,000
Parking Deck (Beside Building 2 -> 112 total spaces)	LL only:	18,500
	Gross Square Feet:	440,000

Exhibit 2.2

Project Site Plan

Village at Odenton Station

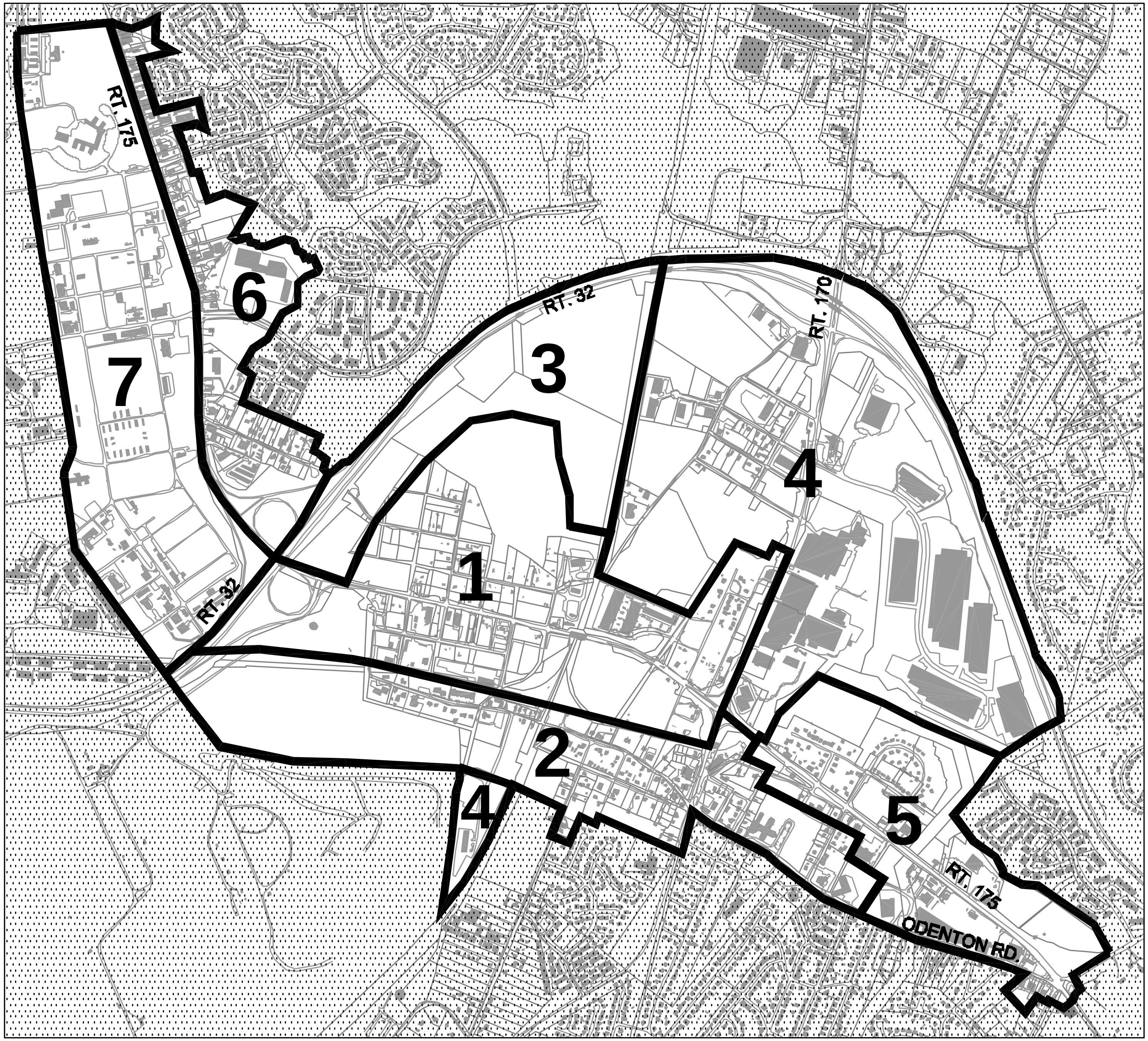
Exhibit 2.3

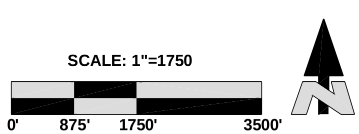
RETAIL UNIT MIXES

ID	Tenant Group	Description	Use Type	Units	GLA	2014 Market Rate	Market TI New	LC new	LC renew
ST	Small Tenant	1500 GLA	Retail	15	22,500	$ 26.00	$ 15.00	6.0%	3.0%
NT	Normal Tenant	3000 GLA	Retail	8	24,000	$ 26.00	$ 15.00	6.0%	3.0%
ET	End Cap Special	4500 GLA	Retail	3	13,600	$ 26.00	$ 15.00	6.0%	3.0%
		TOTAL =		26	60,100	$ 1,562,600			

Sub-Area Regulatory Zoning Map

1	Core	O-COR
2	Village	O-VIL
3	Transition	O-TRA
4	Industrial	O-IND
5	East Odenton	O-EOD
6	North Odenton	O-NOD
7	Fort Meade Areas	O-FTM
▬	Odenton Border	





ODENTON TOWN CENTER MASTER PLAN

Sub-Area Regulatory Zoning Map

2-19-04

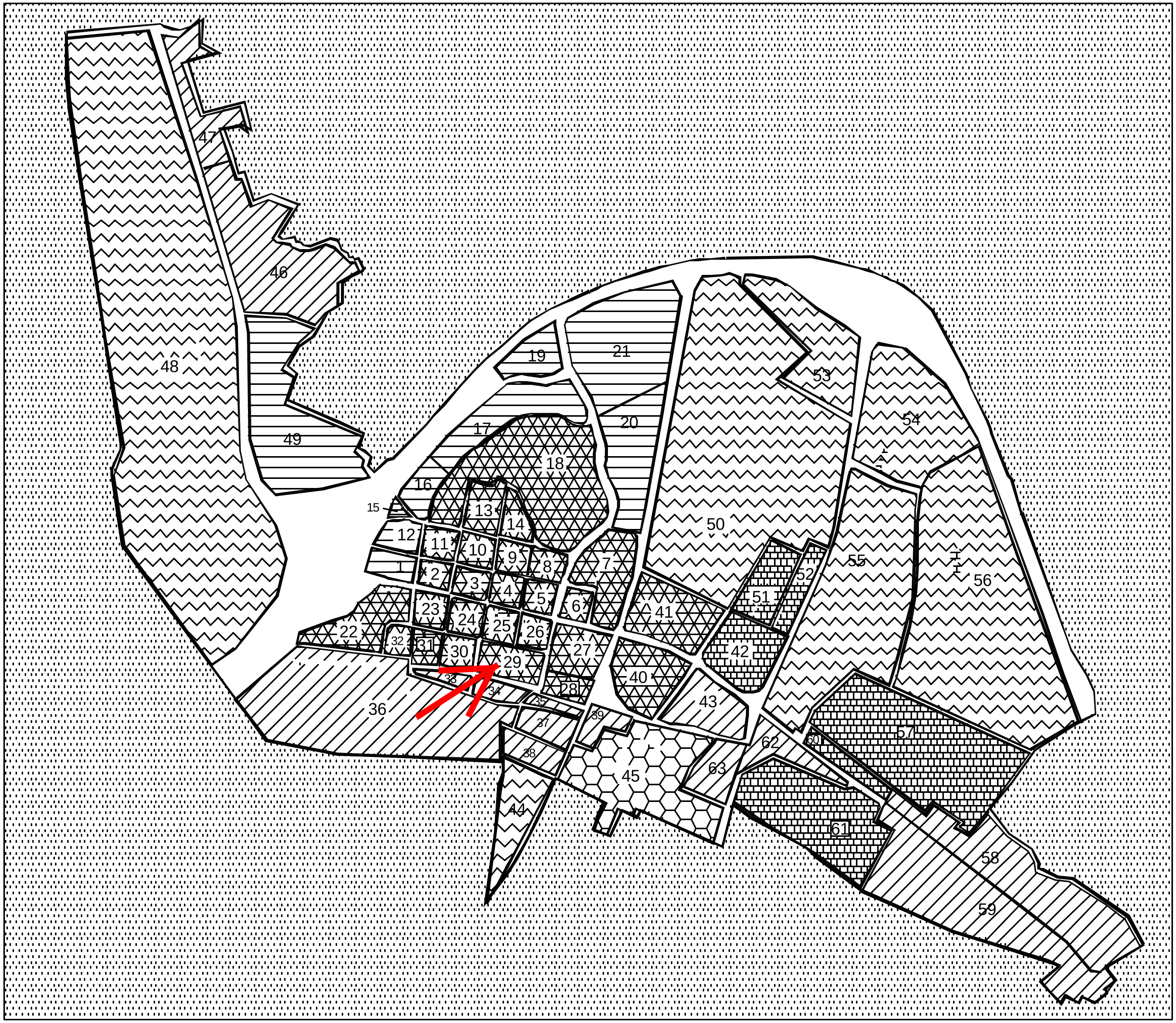
Figure 8

Exhibit 2.4

Exhibit 2.5

Dwelling Units Per Acre (D.U.A.) Functional Plan

Limited by Height and F.A.R.	
D.U.A. 22	
D.U.A. 15	
D.U.A. 5	
D.U.A. 2	
D.U.A. 0	
1	Block Number
	Odenton Boundary



SCALE: 1"=1750'

0' 875' 1750' 3500'

ODENTON TOWN CENTER MASTER PLAN

Dwelling Units Per Acre (D.U.A.) Functional Plan

THE FAUX GROUP INC.

12-03-03

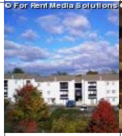
Figure 36

Neighborhood Retail Spending and Supportable Area **Exhibit 3.1**

Sources: 2008 Consumer Expenditure Survey, ESRI

	AA County		Primary Trade Area		Secondary Trade Area		
	% Income	Odenton	Project		3 mile Radius		
Income before taxes or $/GLA		$ 87,000		$300			$300
Households			235		20,000		
Spending Breakdowns:		Per HH	Total	Retail GLA	Total	% Community	Retail GLA
Average annual expenditures							
Food at home	6.0%	$ 5,220	$ 1,226,700	4,089	$ 104,400,000	80.0%	278,400
Food away from home	5.0%	$ 4,350	$ 1,022,250	3,408	$ 87,000,000	50.0%	145,000
Alcoholic beverages and tobacco	0.8%	$ 696	$ 163,560	545	$ 13,920,000	80.0%	37,120
Other lodging	1.0%	$ 870	$ 204,450	n/a	$ 17,400,000	10.0%	5,800
Utilities, fuels, and public services	7.9%	$ 6,873	$ 1,615,155	n/a	$ 137,460,000	70.0%	320,740
Household operations	1.7%	$ 1,479	$ 347,565	1,159	$ 29,580,000	80.0%	78,880
Housekeeping supplies	1.6%	$ 1,392	$ 327,120	1,090	$ 27,840,000	75.0%	69,600
Household furnishings and equipment	2.8%	$ 2,436	$ 572,460	1,908	$ 48,720,000	50.0%	81,200
Apparel and services	2.7%	$ 2,349	$ 552,015	1,840	$ 46,980,000	25.0%	39,150
Vehicle purchases	4.5%	$ 3,915	$ 920,025	n/a	$ 78,300,000	10.0%	26,100
Gasoline and motor oil	5.0%	$ 4,350	$ 1,022,250	n/a	$ 87,000,000	75.0%	217,500
Other vehicle expenses	4.0%	$ 3,480	$ 817,800	n/a	$ 69,600,000	75.0%	174,000
Public transportation	1.0%	$ 870	$ 204,450	n/a	$ 17,400,000	0.0%	-
Healthcare	4.9%	$ 4,263	$ 1,001,805	3,339	$ 85,260,000	60.0%	170,520
Entertainment	3.0%	$ 2,610	$ 613,350	2,045	$ 52,200,000	40.0%	69,600
Personal care products and services	1.1%	$ 957	$ 224,895	750	$ 19,140,000	75.0%	47,850
Education	2.5%	$ 2,175	$ 511,125	1,704	$ 43,500,000	20.0%	29,000
	0.0%	$ -	$ -	-	$ -		-
Personal insurance and pensions	10.0%	$ 8,700	$ 2,044,500	6,815	$ 174,000,000	5.0%	29,000
Retail Goods	0.0%	$ -	$ -	-	$ -		-
Computers and Accessories	0.4%	$ 348	$ 81,780	273	$ 6,960,000	25.0%	5,800
Investments	1.5%	$ 1,305	$ 306,675	1,022	$ 26,100,000	10.0%	8,700
TV/Video/Sound Equipment	2.0%	$ 1,740	$ 408,900	1,363	$ 34,800,000	25.0%	29,000
Travel	2.7%	$ 2,349	$ 552,015	1,840	$ 46,980,000	10.0%	15,660
TOTALS =	72.1%	$ 62,727	$ 14,740,845	33,189	$ 1,254,540,000	44.9%	1,878,620
GLA per person				141			94

n/a - those categories not allowable by zoning or not compatible with project
Retail GLA calculated by 100% of Primary spending and applicable % of Community spending divided by $300/GLA

APARTMENT COMPARABLES																
Source: www.forrent.com (2/28/2010)																
Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Properties	Shelter Cove	The Lodge at Seven Oaks	Seven Oaks Apartment Homes	Archstone Russett	The Orchards at Severn	Tall Oaks	Willow Lake	Laurel Square	Summerlyn Place	Foxfire Apartments	Patuxent Square	Storch Woods	Bowling Brook Apartments	Westchester at Contee Crossing	Orchard Club	Windsor at Pine Ridge
	537 Tranquil Court	2027 Odens Station Lane	2100 Sentry Court	8185 Scenic Meadow Drive	8317 Severn Orchard Circle	3519 Leslie Way	13010 Old Stage Coach Rd	13301 Arden Way	14706 Normandy Court	8737 Contee Rd	9900 Washington Blvd N	8536 Storch Woods Dr	9000 Stebbing Way	7810 Contee Road	6330 Orchard Club Dr	7100 Ducketts Ln
	Odenton, MD 21113	Odenton, MD 21113	Odenton, MD 21113	Laurel, MD 20724	Severn, MD 21144	Laurel, MD 20724	Laurel, MD 20708	Laurel, MD 20708	Laurel, MD 20708	Laurel, MD 20708	Laurel, MD 20723	Savage, MD 20763	Laurel, MD 20723	Laurel, MD 20707	Elkridge, MD 21075	Elkridge, MD 21075
Phone Number	(866) 378-7005	(866) 802-9364	(866) 464-9544	(866) 458-5448	(866) 255-4892	(866) 255-8410	(866) 789-0226	(866) 212-2679	(866) 768-2279	(866) 830-3207	(866) 500-8341	(877) 274-5880	(877) 382-3737	(866) 924-0941	(866) 500-5831	(866) 417-7931
Number Units		396		238			450		424					451		
Unit Types	Garden	Lodge	Garden	Townhome	Garden/ Townhome	Garden	Garden	Garden	Garden	Garden	Low Rise	Garden	Townhome	Low Rise	Low Rise	Townhomes
Manager	RAM Partners	Bozzuto	Fairfield	ArchStone	Apartment Services	Hirschfield	Investors Property Services	Bozzuto	Realty Management Services	Panco	Armiger Management	Storch Management		Archstone	Armiger Management	Windsor Communities
Last Remodeled		2007		2001 new			2007		2006	recent	2008 new			2007 new		
Studio/Efficiency							$889									
							632 sq. ft.									
1 Bedroom	$1010 - $1118	$1240 - $1610	$1129 - $1474	$1325 - $1390	$832	$799 - $879	$979	$1005 - $1101	$999 - $1154	$935	$758	$920 - $980	$1259 - $1547	$1535 - $2080	$1090 - $1200	$945 - $995
	705 - 820 sq. ft.	722 - 989 sq. ft.	740 - 1128 sq. ft.	796 - 964 sq. ft.	690 sq. ft.	835 - 891 sq. ft.	732 sq. ft.	750 - 780 sq. ft.	679 - 816 sq. ft.	760 sq. ft.			989 - 1089 sq. ft.	775 - 1044 sq. ft.	840 - 915 sq. ft.	
2 Bedrooms	$1125 - $1435	$1550 - $1830	$1290 - $1734	$1625 - $1685	$922	$1009 - $1149	$1,119	$1075 - $1278	$1079 - $1433	$1,145	$913	$1080 - $1110	$1275 - $1733	$1905 - $2445	$1270 - $1390	$1020 - $1250
	910 - 1050 sq. ft.	1127 - 1233 sq. ft.	948 - 1350 sq. ft.	1072 - 1193 sq. ft.	952 sq. ft.	1098 - 1168 sq. ft.	889 sq. ft.	1050 - 1180 sq. ft.	853 - 1231 sq. ft.	980 sq. ft.			1040 - 1296 sq. ft.	1168 - 1484 sq. ft.	1053 - 1245 sq. ft.	
3 Bedrooms	$1,455	$2,070	$1574 - $1584	$1745 - $1800	$990	$1309 - $1399	$1,474	$1,527	$1533 - $1687	$1,365	...	...	...	$2515 - $2705		$1250 - $1300
	1080 sq. ft.	1348 sq. ft.	1152 sq. ft.	1273 - 1467 sq. ft.	1105 sq. ft.	1213 - 1283 sq. ft.	1046 sq. ft.	1200 sq. ft.	1170 sq. ft.	1260 sq. ft.				1470 - 1599 sq. ft.		
4 Bedrooms					$1,195											
					1328 sq. ft.											
Cats Allowed	Y	Y	Y	Y	...	...	...	...	Y	Y	...	...	...	Y	Y	...
Large Dogs	Y	Y	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Pets Allowed	...	Y	Y	Y	...	Y	Y	Y	Y	...	...	...	Y	...	Y	Y
Small Dogs	Y	Y	Y	Y	...	...	...	...	Y	...	...	...	...	Y	Y	...
Property Photos																
Apartment Amenities																...
Air Conditioning	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Alarm System	...	...	...	...	Y	...	...	...	...	...	...	...	...	...	...	...
Cable or Satellite	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ceiling Fan	...	Y	Y	Y	...	Y	...	...	...	...	...	...	Y	Y	Y	...
Dishwasher	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	...	Y	Y	Y	Y	Y
Extra Storage	Y	...	Y	...	...	...	...	Y	...	...	...	Y	...	Y	...	...
Fireplace	...	...	Y	Y	...	...	...	...	Y	...	...	...	Y	...	Y	Y
Furnished Available	...	...	...	...	...	Y	...	...	...	...	...	...	Y	...	...	Y
Hardwood Floor	...	...	...	...	Y	...	...	...	...	...	...	...	...	...	...	...
Internet Access	...	Y	Y	Y	Y	...	...	Y	Y	Y	...	Y	...	Y	...	...
Microwave	...	Y	Y	Y	Y	...	...	...	...	Y	...	...	Y	Y	...	Y
Patio or Balcony	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	...	Y	Y	Y	Y	...
Walk In Closets	Y	Y	Y	Y	...	...	Y	Y	Y	Y	...	Y	Y	Y	Y	...
Washer Dryer Hookup	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Washer Dryer In Unit	...	Y	Y	Y	Y	...	...	...	Y	...	Y	...	Y	Y	Y	Y
Wireless Internet Access	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Community Amenities																
Accepts Credit Card Payments	...	...	...	...	...	...	...	...	...	...	...	...	...	Y	...	...
Accepts Electronic Payments	...	...	...	...	...	...	...	...	...	...	...	...	...	Y	...	...
Business Center Onsite	...	...	...	...	Y	...	...	...	...	...	...	Y	...	Y	...	...
Public Transportation	...	...	Y	Y	Y	Y	Y	Y	Y	Y	...	Y	Y	Y	...	Y
Club House	Y	Y	Y	Y	...	...	Y	...	...	...	...	...	Y	Y	Y	Y
Controlled Access	...	...	...	...	...	...	...	Y	...	...	Y	...	...	Y	...	...
Elevator	...	...	...	...	...	...	...	...	...	...	...	...	...	Y	...	...
Fitness Center	Y	Y	Y	Y	...	...	...	...	...	...	Y	...	Y	Y	Y	Y
Disability Access	...	Y	Y	Y	Y	...	Y	...	...	...	...	Y	Y	Y	Y	Y
Laundry Facility	Y	...	...	...	Y	Y	Y	...	...	Y	...	Y	...	...	...	...
Playground	Y	...	Y	Y	Y	Y	Y	Y	Y	Y	...	Y	...	...	Y	Y
Pool	Y	Y		Y	...	Y	Y	Y	Y	Y	...	Y	Y	Y	Y	Y
															...	

Village at Odenton Station
Exhibit 3.3

APARTMENT UNITS MIX

Unit Type	Bldg	Floor	BdRm	Bath	Den	PKG	Rentable Sq Ft	# of Units	% Units	Total RSF	Base Rent @ Stabilization	Rent SF/Month	Gross Potential Rents	Annual Turnover	Turnover Costs	Turnover Weeks
Efficiency			1	1			595	1	0.4%	595	$ 830	$1.39	$ 9,960	55.0%	$ 450.00	8
1BDR 1 BA			1	1			806	63	24.4%	50,778	**$ 1,100**	$1.36	$ 831,600	52.0%	$ 500.00	8
2BDR 2 BA			2	2			1,050	60	23.3%	63,000	$ 1,300	$1.24	$ 936,000	48.0%	$ 600.00	6
2BDR 2 BA			2	2			1,050	60	23.3%	63,000	$ 1,300	$1.24	$ 936,000	48.0%	$ 600.00	6
2BDR 2 BA			2	2			1,050	60	23.3%	63,000	**$ 1,350**	$1.29	$ 972,000	48.0%	$ 650.00	8
2BDR 2 BA			2	2			1,230	6	2.3%	7,380	$ 1,350	$1.10	$ 97,200	48.0%	$ 650.00	8
2BDR 2 BA			2	2			1,248	5	1.9%	6,240	$ 1,350	$1.08	$ 81,000	48.0%	$ 650.00	8
2BDR 2 BA			2	2			1,440	3	1.2%	4,320	$ 1,450	$1.01	$ 52,200	46.0%	$ 700.00	10
3BDR 3 BA			3	3				0	0.0%	0	$ -	$0.00	$ -	50.0%	$ 700.00	12
-									0.0%	0	$ -	$0.00	$ -	50.0%	$ 700.00	12
Totals =								**258**	**100.0%**	**258,313**	**$ 1,001**	**$1.26**	**$ 3,915,960**	**49.3%**	**$ 620.00**	**8.6**
Ratios:																
One bedroom units								64	24.8%							
Two bedroom units								194	75.2%							
Three bedroom units								0	0.0%							

Village at Odenton Station
Exhibit 4.1

PROJECT DEVELOPMENT BUDGET

	Budget	Per Unit	Per GSF	Prior Paid	Cost Spread Profile
Land Costs					
Land Purchase Price	$ 1,250,000	$ 4,845	$3.28	$ 1,250,000	Front
Subdivision/Assembly Costs	$ 95,000	$ 368	$0.25	$ 95,000	Front
Land Closing Costs	$ 45,000	$ 174	$0.12	$ 45,000	Front
Site Planning & Studies	$ 80,000	$ 310	$0.21	$ 80,000	Front
Off Site Improvements	$ 325,000	$ 1,260	$0.85	$ 325,000	Front
Permits - Clearing & Grading	$ 20,000	$ 78	$0.05	$ 20,000	Front
Subtotal Land Costs	**$ 1,815,000**	$ 7,035	$4.76	**$ 1,815,000**	
Hard Costs					
Construction - Base Buildings	$ 19,075,000	$ 73,934	$50.00	$ -	Construction
Construction - Apartments Interiors	$ 6,450,000	$ 25,000	$16.91	$ -	Late Skew
Construction - TI Work	$ 675,000	$ 2,616	$1.77	$ -	Late Skew
Construction - Other	$ 120,000	$ 465	$0.31	$ -	Late Skew
On Site Improvements	$ 350,000	$ 1,357	$0.92	$ 25,000	Construction
Landscaping, Trees & Irrigation	$ 200,000	$ 775	$0.52	$ -	Late Skew
Parking & Paving	$ 500,000	$ 1,938	$1.31	$ -	Late Skew
Utilities - Electric	$ 1,250,000	$ 4,845	$3.28	$ 1,000,000	Construction
Utilities - Water & Sewer	$ 150,000	$ 581	$0.39	$ -	Construction
Utilities - Other	$ 100,000	$ 388	$0.26	$ -	Construction
Signage	$ 50,000	$ 194	$0.13	$ -	Late Skew
Common Area Furnishings	$ 60,000	$ 233	$0.16	$ -	Back
Hard Costs - Other	$ 50,000	$ 194	$0.13	$ -	Construction
Hard Cost Contingency (3%)	$ 870,900	$ 3,376	$2.28	$ -	Construction
Subtotal Hard Costs	**$ 29,900,900**	$ 115,895	$78.38	**$ 1,025,000**	
Soft Costs					
Architect - Base Building	$ 435,000	$ 1,686	$1.14	$ 250,000	Design
Engineer - Civil	$ 180,000	$ 698	$0.47	$ 125,000	Early Skew
Engineer - Geotechnical	$ 50,000	$ 194	$0.13	$ 30,000	Early Skew
Engineer - Structural	$ 140,000	$ 543	$0.37	$ 85,000	Design
Engineer - MEP	$ 130,000	$ 504	$0.34	$ 85,000	Design
Landsape Design	$ 50,000	$ 194	$0.13	$ 35,000	Design
Other Design	$ 30,000	$ 116	$0.08	$ -	Design
Permits - Building	$ 299,009	$ 1,159	$0.78	$ -	Construction
Testing & Inspection Services	$ 75,000	$ 291	$0.20	$ -	Construction
Permits - Impact Fees	$ 479,556	$ 1,859	$1.26	$ -	Normal
Utilities - Connection Fees	$ 258,000	$ 1,000	$0.68	$ -	Late Skew
Printing and Delivery	$ 40,000	$ 155	$0.10	$ -	Construction
Attorney - Construction	$ 50,000	$ 194	$0.13	$ -	Early Skew
Attorney - Leasing	$ 50,000	$ 194	$0.13	$ -	Late Skew
Leasing Commissions - Apartments	$ 315,500	$ 1,223	$0.83	$ -	Late Skew
Leasing Commissions - Retail	$ 351,000	$ 1,360	$0.92	$ -	Late Skew
Development Fee (3.5% Hard)	$ 1,046,532	$ 4,056	$2.74	$ -	Back
Construction Management Fee (5%)	$ 33,750	$ 131	$0.09	$ -	Late Skew
Bonds/Letters of Credit	$ 80,000	$ 310	$0.21	$ 20,000	Early Skew
Reimbursables	$ 60,000	$ 233	$0.16	$ 8,000	Early Skew
Financing Fees	$ 100,000	$ 388	$0.26	$ -	Early Skew
Other Soft Costs	$ 100,000	$ 388	$0.26	$ -	Early Skew
ADJUSTMENT	$ -	$ -	$0.00	$ -	Level
Construction Loan Fees	$ 300,000	$ 1,163	$0.79	$ -	Early Skew
Sponsor Financing Fees	$ -	$ -	$0.00	$ -	Level
Investor Financing Fees	$ 100,000	$ 388	$0.26	$ -	Early Skew
	$ -	$ -	$0.00	$ -	Level
	$ -	$ -	$0.00	$ -	Level
Subtotal Soft Costs	**$ 4,753,347**	$ 18,424	$12.46	**$ 638,000**	
Carry Costs to Stabilization					
Real Estate Taxes	$ 50,000	$ 194	$0.13	$ -	Late Skew
Insurance	$ 20,000	$ 78	$0.05	$ -	Late Skew
Repairs & Maintenance	$ 24,000	$ 93	$0.06	$ -	Back
Professional & Legal Services	$ 100,000	$ 388	$0.26	$ -	Back
Utilities	$ 60,000	$ 233	$0.16	$ -	Late Skew
Property Management	$ 327,820	$ 1,271	$0.86	$ -	Back
Licenses & Fees	$ 30,000	$ 116	$0.08	$ -	Back
Indirect Costs	$ 150,000	$ 581	$0.39	$ -	Back
Overhead, General & Administrative	$ 250,000	$ 969	$0.66	$ -	Back
Marketing/Promotion/Events	$ 120,000	$ 465	$0.31	$ -	Late Skew
Leasing Office Expenses	$ 25,000	$ 97	$0.07	$ -	Late Skew
Subtotal Carry Costs	**$ 1,156,820**	$ 4,484	$3.03	**$ -**	
TOTAL DEVELOPMENT COSTS =	**$ 37,626,067**			**$ 3,478,000**	
Funding Sources:					
Equity, Period				$ 3,478,000	
Cumulative Equity	$ 5,500,000				$ 3,478,000
Cash Revenues	$ 4,917,300	Revenue Factor	0.75	0	
Borrow Amount, Period				$ -	
Cumulative Loan Balance	$ 31,502,842	Balanced			$ -
Interest Rate, Annualized					
Interest Cost, Period				$ -	
Accrued Interest	$ 3,373,751				$ -
TOTAL COSTS W/INT CARRY	**$ 40,999,817**			$ 3,478,000	
Cumulative					$ 3,478,000
Revenues Prior to Stabilization (Cash Basis)					
Revenues - Apartments	$ 5,100,400	$ 19,769	$13.37		
Revenues - Retail/Office	$ 1,456,000	$ 5,643	$3.82		
	$ -	$ -	$0.00	$ -	Back
Other Income	$ -	$ -	$0.00	$ -	Back
	$ -	$ -	$0.00	$ -	Back
Subtotal Revenues	**$ 6,556,400**	$ 25,412	$17.19	**$ -**	
Cumulative Revenues					
Net Project Cash Flows	**$ 31,069,667**	$ 120,425	$81.44	**$ -**	
Cumulative Cash					

PROJECTED DRAW SCHEDULE

Months:	1	2	3	4	5	6	7	8	9
	2010 Jun	2010 Jul	2010 Aug	2010 Sep	2010 Oct	2010 Nov	2010 Dec	2011 Jan	2011 Feb
Land Costs									
Land Purchase Price	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subdivision/Assembly Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Closing Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Planning & Studies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Off Site Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits - Clearing & Grading	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Land Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs									
Construction - Base Buildings	$ 119,219	$ 119,219	$ 119,219	$ 119,219	$ 119,219	$ 119,219	$ 119,219	$ 119,219	$ 596,094
Construction - Apartments Interiors	$ 40,313	$ 40,313	$ 40,313	$ 40,313	$ 40,313	$ 40,313	$ 40,313	$ 40,313	$ 80,625
Construction - TI Work	$ 4,219	$ 4,219	$ 4,219	$ 4,219	$ 4,219	$ 4,219	$ 4,219	$ 4,219	$ 8,438
Construction - Other	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 1,500
On Site Improvements	$ 2,031	$ 2,031	$ 2,031	$ 2,031	$ 2,031	$ 2,031	$ 2,031	$ 2,031	$ 10,156
Landscaping, Trees & Irrigation	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 2,500
Parking & Paving	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 6,250
Utilities - Electric	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 7,813
Utilities - Water & Sewer	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 4,688
Utilities - Other	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 3,125
Signage	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 625
Common Area Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs - Other	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 1,563
Hard Cost Contingency (3%)	$ 5,443	$ 5,443	$ 5,443	$ 5,443	$ 5,443	$ 5,443	$ 5,443	$ 5,443	$ 27,216
Subtotal Hard Costs	$ 180,099	$ 180,099	$ 180,099	$ 180,099	$ 180,099	$ 180,099	$ 180,099	$ 180,099	$ 750,591
Soft Costs									
Architect - Base Building	$ 3,469	$ 3,469	$ 3,469	$ 3,469	$ 3,469	$ 3,469	$ 3,469	$ 3,469	$ 5,781
Engineer - Civil	$ 2,750	$ 2,750	$ 2,750	$ 8,250	$ 8,250	$ 8,250	$ 4,583	$ 4,583	$ 4,583
Engineer - Geotechnical	$ 1,000	$ 1,000	$ 1,000	$ 3,000	$ 3,000	$ 3,000	$ 1,667	$ 1,667	$ 1,667
Engineer - Structural	$ 1,031	$ 1,031	$ 1,031	$ 1,031	$ 1,031	$ 1,031	$ 1,031	$ 1,031	$ 1,719
Engineer - MEP	$ 844	$ 844	$ 844	$ 844	$ 844	$ 844	$ 844	$ 844	$ 1,406
Landsape Design	$ 281	$ 281	$ 281	$ 281	$ 281	$ 281	$ 281	$ 281	$ 469
Other Design	$ 563	$ 563	$ 563	$ 563	$ 563	$ 563	$ 563	$ 563	$ 938
Permits - Building	$ 1,869	$ 1,869	$ 1,869	$ 1,869	$ 1,869	$ 1,869	$ 1,869	$ 1,869	$ 9,344
Testing & Inspection Services	$ 469	$ 469	$ 469	$ 469	$ 469	$ 469	$ 469	$ 469	$ 2,344
Permits - Impact Fees	$ 2,997	$ 2,997	$ 2,997	$ 2,997	$ 2,997	$ 2,997	$ 2,997	$ 2,997	$ 11,989
Utilities - Connection Fees	$ 1,613	$ 1,613	$ 1,613	$ 1,613	$ 1,613	$ 1,613	$ 1,613	$ 1,613	$ 3,225
Printing and Delivery	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 1,250
Attorney - Construction	$ 2,500	$ 2,500	$ 2,500	$ 7,500	$ 7,500	$ 7,500	$ 4,167	$ 4,167	$ 4,167
Attorney - Leasing	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 625
Leasing Commissions - Apartments	$ 1,972	$ 1,972	$ 1,972	$ 1,972	$ 1,972	$ 1,972	$ 1,972	$ 1,972	$ 3,944
Leasing Commissions - Retail	$ 2,194	$ 2,194	$ 2,194	$ 2,194	$ 2,194	$ 2,194	$ 2,194	$ 2,194	$ 4,388
Development Fee (3.5% Hard)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Management Fee (5%)	$ 211	$ 211	$ 211	$ 211	$ 211	$ 211	$ 211	$ 211	$ 422
Bonds/Letters of Credit	$ 3,000	$ 3,000	$ 3,000	$ 9,000	$ 9,000	$ 9,000	$ 5,000	$ 5,000	$ 5,000
Reimbursables	$ 2,600	$ 2,600	$ 2,600	$ 7,800	$ 7,800	$ 7,800	$ 4,333	$ 4,333	$ 4,333
Financing Fees	$ 5,000	$ 5,000	$ 5,000	$ 15,000	$ 15,000	$ 15,000	$ 8,333	$ 8,333	$ 8,333
Other Soft Costs	$ 5,000	$ 5,000	$ 5,000	$ 15,000	$ 15,000	$ 15,000	$ 8,333	$ 8,333	$ 8,333
ADJUSTMENT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Loan Fees	$ 15,000	$ 15,000	$ 15,000	$ 45,000	$ 45,000	$ 45,000	$ 25,000	$ 25,000	$ 25,000
Sponsor Financing Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investor Financing Fees	$ 5,000	$ 5,000	$ 5,000	$ 15,000	$ 15,000	$ 15,000	$ 8,333	$ 8,333	$ 8,333
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Soft Costs	$ 59,924	$ 59,924	$ 59,924	$ 143,624	$ 143,624	$ 143,624	$ 87,824	$ 87,824	$ 117,592
Carry Costs to Stabilization									
Real Estate Taxes	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 625
Insurance	$ 125	$ 125	$ 125	$ 125	$ 125	$ 125	$ 125	$ 125	$ 250
Repairs & Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional & Legal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	$ 375	$ 375	$ 375	$ 375	$ 375	$ 375	$ 375	$ 375	$ 750
Property Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses & Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Overhead, General & Administrative	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Marketing/Promotion/Events	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 1,500
Leasing Office Expenses	$ 156	$ 156	$ 156	$ 156	$ 156	$ 156	$ 156	$ 156	$ 313
Subtotal Carry Costs	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 3,438
TOTAL DEVELOPMENT COSTS =	$ 241,742	$ 241,742	$ 241,742	$ 325,442	$ 325,442	$ 325,442	$ 269,642	$ 269,642	$ 871,620
Funding Sources:									
Equity, Period	$ 241,742	$ 241,742	$ 241,742	$ 325,442	$ 325,442	$ 325,442	$ 269,642	$ 50,806	$ -
Cumulative Equity	$ 3,719,742	$ 3,961,484	$ 4,203,226	$ 4,528,668	$ 4,854,110	$ 5,179,552	$ 5,449,194	$ 5,500,000	$ 5,500,000
Cash Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Borrow Amount, Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 218,836	$ 871,620
Cumulative Loan Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 218,836	$ 1,091,596
Interest Rate, Annualized	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Cost, Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,140	$ 5,685
Accrued Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,140	$ 6,825
TOTAL COSTS W/INT CARRY	$ 241,742	$ 241,742	$ 241,742	$ 325,442	$ 325,442	$ 325,442	$ 269,642	$ 270,782	$ 877,306
Cumulative	$ 3,719,742	$ 3,961,484	$ 4,203,226	$ 4,528,668	$ 4,854,110	$ 5,179,552	$ 5,449,194	$ 5,719,976	$ 6,597,281
Revenues Prior to Stabilization (Cash Basis)									
Revenues - Apartments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues - Retail/Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Project Cash Flows	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,140)**	**$ (5,685)**
Cumulative Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,140)	$ (6,825)

Months:	10	11	12	13	14	15	16	17
	2011 Mar	2011 Apr	2011 May	2011 Jun	2011 Jul	2011 Aug	2011 Sep	2011 Oct
Land Costs								
Land Purchase Price	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subdivision/Assembly Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Closing Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Planning & Studies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Off Site Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits - Clearing & Grading	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Land Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs								
Construction - Base Buildings	$ 596,094	$ 596,094	$ 596,094	$ 596,094	$ 596,094	$ 596,094	$ 596,094	$ 953,750
Construction - Apartments Interiors	$ 80,625	$ 80,625	$ 80,625	$ 80,625	$ 80,625	$ 80,625	$ 80,625	$ 201,563
Construction - TI Work	$ 8,438	$ 8,438	$ 8,438	$ 8,438	$ 8,438	$ 8,438	$ 8,438	$ 21,094
Construction - Other	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 3,750
On Site Improvements	$ 10,156	$ 10,156	$ 10,156	$ 10,156	$ 10,156	$ 10,156	$ 10,156	$ 16,250
Landscaping, Trees & Irrigation	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 6,250
Parking & Paving	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 15,625
Utilities - Electric	$ 7,813	$ 7,813	$ 7,813	$ 7,813	$ 7,813	$ 7,813	$ 7,813	$ 12,500
Utilities - Water & Sewer	$ 4,688	$ 4,688	$ 4,688	$ 4,688	$ 4,688	$ 4,688	$ 4,688	$ 7,500
Utilities - Other	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$ 5,000
Signage	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 1,563
Common Area Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs - Other	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 2,500
Hard Cost Contingency (3%)	$ 27,216	$ 27,216	$ 27,216	$ 27,216	$ 27,216	$ 27,216	$ 27,216	$ 43,545
Subtotal Hard Costs	$ 750,591	$ 750,591	$ 750,591	$ 750,591	$ 750,591	$ 750,591	$ 750,591	$ 1,290,889
Soft Costs								
Architect - Base Building	$ 5,781	$ 5,781	$ 5,781	$ 5,781	$ 5,781	$ 5,781	$ 5,781	$ 10,406
Engineer - Civil	$ 1,833	$ 1,833	$ 1,833	$ 917	$ 917	$ 917	$ -	$ -
Engineer - Geotechnical	$ 667	$ 667	$ 667	$ 333	$ 333	$ 333	$ -	$ -
Engineer - Structural	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 1,719	$ 3,094
Engineer - MEP	$ 1,406	$ 1,406	$ 1,406	$ 1,406	$ 1,406	$ 1,406	$ 1,406	$ 2,531
Landsape Design	$ 469	$ 469	$ 469	$ 469	$ 469	$ 469	$ 469	$ 844
Other Design	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 938	$ 1,688
Permits - Building	$ 9,344	$ 9,344	$ 9,344	$ 9,344	$ 9,344	$ 9,344	$ 9,344	$ 14,950
Testing & Inspection Services	$ 2,344	$ 2,344	$ 2,344	$ 2,344	$ 2,344	$ 2,344	$ 2,344	$ 3,750
Permits - Impact Fees	$ 11,989	$ 11,989	$ 11,989	$ 11,989	$ 11,989	$ 11,989	$ 11,989	$ 29,972
Utilities - Connection Fees	$ 3,225	$ 3,225	$ 3,225	$ 3,225	$ 3,225	$ 3,225	$ 3,225	$ 8,063
Printing and Delivery	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 2,000
Attorney - Construction	$ 1,667	$ 1,667	$ 1,667	$ 833	$ 833	$ 833	$ -	$ -
Attorney - Leasing	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 1,563
Leasing Commissions - Apartments	$ 3,944	$ 3,944	$ 3,944	$ 3,944	$ 3,944	$ 3,944	$ 3,944	$ 9,859
Leasing Commissions - Retail	$ 4,388	$ 4,388	$ 4,388	$ 4,388	$ 4,388	$ 4,388	$ 4,388	$ 10,969
Development Fee (3.5% Hard)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Management Fee (5%)	$ 422	$ 422	$ 422	$ 422	$ 422	$ 422	$ 422	$ 1,055
Bonds/Letters of Credit	$ 2,000	$ 2,000	$ 2,000	$ 1,000	$ 1,000	$ 1,000	$ -	$ -
Reimbursables	$ 1,733	$ 1,733	$ 1,733	$ 867	$ 867	$ 867	$ -	$ -
Financing Fees	$ 3,333	$ 3,333	$ 3,333	$ 1,667	$ 1,667	$ 1,667	$ -	$ -
Other Soft Costs	$ 3,333	$ 3,333	$ 3,333	$ 1,667	$ 1,667	$ 1,667	$ -	$ -
ADJUSTMENT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Loan Fees	$ 10,000	$ 10,000	$ 10,000	$ 5,000	$ 5,000	$ 5,000	$ -	$ -
Sponsor Financing Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investor Financing Fees	$ 3,333	$ 3,333	$ 3,333	$ 1,667	$ 1,667	$ 1,667	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Soft Costs	$ 75,742	$ 75,742	$ 75,742	$ 61,792	$ 61,792	$ 61,792	$ 47,842	$ 100,743
Carry Costs to Stabilization								
Real Estate Taxes	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 1,563
Insurance	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 625
Repairs & Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional & Legal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 1,875
Property Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses & Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Overhead, General & Administrative	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Marketing/Promotion/Events	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 3,750
Leasing Office Expenses	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 313	$ 781
Subtotal Carry Costs	$ 3,438	$ 3,438	$ 3,438	$ 3,438	$ 3,438	$ 3,438	$ 3,438	$ 8,594
TOTAL DEVELOPMENT COSTS =	$ 829,770	$ 829,770	$ 829,770	$ 815,820	$ 815,820	$ 815,820	$ 801,870	$ 1,400,226
Funding Sources:								
Equity, Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Equity	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000
Cash Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Borrow Amount, Period	$ 829,770	$ 829,770	$ 829,770	$ 815,820	$ 815,820	$ 815,820	$ 801,870	$ 1,400,226
Cumulative Loan Balance	$ 1,927,052	$ 2,766,859	$ 3,611,040	$ 4,445,668	$ 5,284,643	$ 6,127,988	$ 6,961,775	$ 8,398,259
Interest Rate, Annualized	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Cost, Period	$ 10,037	$ 14,411	$ 18,808	$ 23,155	$ 27,524	$ 31,917	$ 36,259	$ 43,741
Accrued Interest	$ 16,862	$ 31,273	$ 50,080	$ 73,235	$ 100,759	$ 132,675	$ 168,935	$ 212,676
TOTAL COSTS W/INT CARRY	$ 839,807	$ 844,181	$ 848,578	$ 838,975	$ 843,345	$ 847,737	$ 838,130	$ 1,443,966
Cumulative	$ 7,437,089	$ 8,281,270	$ 9,129,848	$ 9,968,823	$ 10,812,167	$ 11,659,904	$ 12,498,034	$ 13,942,000
Revenues Prior to Stabilization (Cash Basis)								
Revenues - Apartments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues - Retail/Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Project Cash Flows	**$ (10,037)**	**$ (14,411)**	**$ (18,808)**	**$ (23,155)**	**$ (27,524)**	**$ (31,917)**	**$ (36,259)**	**$ (43,741)**
Cumulative Cash	$ (16,862)	$ (31,273)	$ (50,080)	$ (73,235)	$ (100,759)	$ (132,675)	$ (168,935)	$ (212,676)

Months:	18	19	20	21	22	23	24	25
	2011 Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun
Land Costs								
Land Purchase Price	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subdivision/Assembly Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Closing Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site Planning & Studies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Off Site Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits - Clearing & Grading	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Land Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs								
Construction - Base Buildings	$ 953,750	$ 953,750	$ 953,750	$ 953,750	$ 953,750	$ 953,750	$ 953,750	$ 476,875
Construction - Apartments Interiors	$ 201,563	$ 201,563	$ 201,563	$ 201,563	$ 201,563	$ 201,563	$ 201,563	$ 362,813
Construction - TI Work	$ 21,094	$ 21,094	$ 21,094	$ 21,094	$ 21,094	$ 21,094	$ 21,094	$ 37,969
Construction - Other	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 6,750
On Site Improvements	$ 16,250	$ 16,250	$ 16,250	$ 16,250	$ 16,250	$ 16,250	$ 16,250	$ 8,125
Landscaping, Trees & Irrigation	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 11,250
Parking & Paving	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 28,125
Utilities - Electric	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 6,250
Utilities - Water & Sewer	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 3,750
Utilities - Other	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 2,500
Signage	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 2,813
Common Area Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Costs - Other	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 1,250
Hard Cost Contingency (3%)	$ 43,545	$ 43,545	$ 43,545	$ 43,545	$ 43,545	$ 43,545	$ 43,545	$ 21,773
Subtotal Hard Costs	$ 1,290,889	$ 1,290,889	$ 1,290,889	$ 1,290,889	$ 1,290,889	$ 1,290,889	$ 1,290,889	$ 970,241
Soft Costs								
Architect - Base Building	$ 10,406	$ 10,406	$ 10,406	$ 10,406	$ 10,406	$ 10,406	$ 10,406	$ 2,313
Engineer - Civil	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Engineer - Geotechnical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Engineer - Structural	$ 3,094	$ 3,094	$ 3,094	$ 3,094	$ 3,094	$ 3,094	$ 3,094	$ 688
Engineer - MEP	$ 2,531	$ 2,531	$ 2,531	$ 2,531	$ 2,531	$ 2,531	$ 2,531	$ 563
Landsape Design	$ 844	$ 844	$ 844	$ 844	$ 844	$ 844	$ 844	$ 188
Other Design	$ 1,688	$ 1,688	$ 1,688	$ 1,688	$ 1,688	$ 1,688	$ 1,688	$ 375
Permits - Building	$ 14,950	$ 14,950	$ 14,950	$ 14,950	$ 14,950	$ 14,950	$ 14,950	$ 7,475
Testing & Inspection Services	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 1,875
Permits - Impact Fees	$ 29,972	$ 29,972	$ 29,972	$ 29,972	$ 29,972	$ 29,972	$ 29,972	$ 11,989
Utilities - Connection Fees	$ 8,063	$ 8,063	$ 8,063	$ 8,063	$ 8,063	$ 8,063	$ 8,063	$ 14,513
Printing and Delivery	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 1,000
Attorney - Construction	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Attorney - Leasing	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 2,813
Leasing Commissions - Apartments	$ 9,859	$ 9,859	$ 9,859	$ 9,859	$ 9,859	$ 9,859	$ 9,859	$ 17,747
Leasing Commissions - Retail	$ 10,969	$ 10,969	$ 10,969	$ 10,969	$ 10,969	$ 10,969	$ 10,969	$ 19,744
Development Fee (3.5% Hard)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Management Fee (5%)	$ 1,055	$ 1,055	$ 1,055	$ 1,055	$ 1,055	$ 1,055	$ 1,055	$ 1,898
Bonds/Letters of Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursables	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Financing Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Soft Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ADJUSTMENT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Loan Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sponsor Financing Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investor Financing Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Soft Costs	$ 100,743	$ 100,743	$ 100,743	$ 100,743	$ 100,743	$ 100,743	$ 100,743	$ 83,178
Carry Costs to Stabilization								
Real Estate Taxes	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 1,563	$ 2,813
Insurance	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 625	$ 1,125
Repairs & Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional & Legal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	$ 1,875	$ 1,875	$ 1,875	$ 1,875	$ 1,875	$ 1,875	$ 1,875	$ 3,375
Property Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses & Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Overhead, General & Administrative	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Marketing/Promotion/Events	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 6,750
Leasing Office Expenses	$ 781	$ 781	$ 781	$ 781	$ 781	$ 781	$ 781	$ 1,406
Subtotal Carry Costs	$ 8,594	$ 8,594	$ 8,594	$ 8,594	$ 8,594	$ 8,594	$ 8,594	$ 15,469
TOTAL DEVELOPMENT COSTS =	$ 1,400,226	$ 1,400,226	$ 1,400,226	$ 1,400,226	$ 1,400,226	$ 1,400,226	$ 1,400,226	$ 1,068,888
Funding Sources:								
Equity, Period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Equity	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000
Cash Revenues	$ -	$ 12,600	$ 23,175	$ 36,188	$ 56,513	$ 84,150	$ 101,850	$ 122,175
Borrow Amount, Period	$ 1,400,226	$ 1,387,626	$ 1,377,051	$ 1,364,038	$ 1,343,713	$ 1,316,076	$ 1,298,376	$ 946,713
Cumulative Loan Balance	$ 9,842,226	$ 11,281,113	$ 12,716,919	$ 14,147,191	$ 15,564,588	$ 16,961,729	$ 18,348,446	$ 19,390,724
Interest Rate, Annualized	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Cost, Period	$ 51,262	$ 58,756	$ 66,234	$ 73,683	$ 81,066	$ 88,342	$ 95,565	$ 100,993
Accrued Interest	$ 263,937	$ 322,693	$ 388,927	$ 462,610	$ 543,676	$ 632,018	$ 727,583	$ 828,576
TOTAL COSTS W/INT CARRY	$ 1,451,487	$ 1,458,981	$ 1,466,459	$ 1,473,909	$ 1,481,291	$ 1,488,568	$ 1,495,790	$ 1,169,882
Cumulative	$ 15,393,487	$ 16,852,469	$ 18,318,928	$ 19,792,837	$ 21,274,128	$ 22,762,696	$ 24,258,486	$ 25,428,368
Revenues Prior to Stabilization (Cash Basis)								
Revenues - Apartments	$ -	$ 10,300	$ 24,400	$ 38,500	$ 59,100	$ 79,700	$ 100,050	$ 120,650
Revenues - Retail/Office	$ -	$ 6,500	$ 6,500	$ 9,750	$ 16,250	$ 32,500	$ 35,750	$ 42,250
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Revenues	$ -	$ 16,800	$ 30,900	$ 48,250	$ 75,350	$ 112,200	$ 135,800	$ 162,900
Cumulative Revenues	$ -	$ 16,800	$ 47,700	$ 95,950	$ 171,300	$ 283,500	$ 419,300	$ 582,200
Net Project Cash Flows	**$ (51,262)**	**$ (41,956)**	**$ (35,334)**	**$ (25,433)**	**$ (5,716)**	**$ 23,858**	**$ 40,235**	**$ 61,907**
Cumulative Cash	$ (263,937)	$ (305,893)	$ (341,227)	$ (366,660)	$ (372,376)	$ (348,518)	$ (308,283)	$ (246,376)

Village at Odenton Station
Exhibit 4.1

F	26 2012 Jul	27 2012 Aug	28 2012 Sep	29 2012 Oct	30 2012 Nov	31 2012 Dec	32 2013 Jan	33 2013 Feb	34 2013 Mar	35 2013 Apr	36 2013 May	37 2013 Jun
Land Costs												
Land Purchase Price	-	-	-	-	-	-	-	-	-	-	-	-
Subdivision/Assembly Costs	-	-	-	-	-	-	-	-	-	-	-	-
Land Closing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Site Planning & Studies	-	-	-	-	-	-	-	-	-	-	-	-
Off Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Permits - Clearing & Grading	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Land Costs	-	-	-	-	-	-	-	-	-	-	-	-
Hard Costs												
Construction - Base Buildings	476,875	476,875	476,875	476,875	476,875	476,875	476,875	238,438	238,438	238,438	238,438	238,438
Construction - Apartments Interiors	362,813	362,813	362,813	362,813	362,813	362,813	362,813	120,938	120,938	120,938	120,938	120,938
Construction - TI Work	37,969	37,969	37,969	37,969	37,969	37,969	37,969	12,656	12,656	12,656	12,656	12,656
Construction - Other	6,750	6,750	6,750	6,750	6,750	6,750	6,750	2,250	2,250	2,250	2,250	2,250
On Site Improvements	8,125	8,125	8,125	8,125	8,125	8,125	8,125	4,063	4,063	4,063	4,063	4,063
Landscaping, Trees & Irrigation	11,250	11,250	11,250	11,250	11,250	11,250	11,250	3,750	3,750	3,750	3,750	3,750
Parking & Paving	28,125	28,125	28,125	28,125	28,125	28,125	28,125	9,375	9,375	9,375	9,375	9,375
Utilities - Electric	6,250	6,250	6,250	6,250	6,250	6,250	6,250	3,125	3,125	3,125	3,125	3,125
Utilities - Water & Sewer	3,750	3,750	3,750	3,750	3,750	3,750	3,750	1,875	1,875	1,875	1,875	1,875
Utilities - Other	2,500	2,500	2,500	2,500	2,500	2,500	2,500	1,250	1,250	1,250	1,250	1,250
Signage	2,813	2,813	2,813	2,813	2,813	2,813	2,813	938	938	938	938	938
Common Area Furnishings	-	-	-	-	-	-	-	7,500	7,500	7,500	7,500	7,500
Hard Costs - Other	1,250	1,250	1,250	1,250	1,250	1,250	1,250	625	625	625	625	625
Hard Cost Contingency (3%)	21,773	21,773	21,773	21,773	21,773	21,773	21,773	10,886	10,886	10,886	10,886	10,886
Subtotal Hard Costs	970,241	970,241	970,241	970,241	970,241	970,241	970,241	417,668	417,668	417,668	417,668	417,668
Soft Costs												
Architect - Base Building	2,313	2,313	2,313	2,313	2,313	2,313	2,313	1,156	1,156	1,156	1,156	1,156
Engineer - Civil	-	-	-	-	-	-	-	-	-	-	-	-
Engineer - Geotechnical	-	-	-	-	-	-	-	-	-	-	-	-
Engineer - Structural	688	688	688	688	688	688	688	344	344	344	344	344
Engineer - MEP	563	563	563	563	563	563	563	281	281	281	281	281
Landsape Design	188	188	188	188	188	188	188	94	94	94	94	94
Other Design	375	375	375	375	375	375	375	188	188	188	188	188
Permits - Building	7,475	7,475	7,475	7,475	7,475	7,475	7,475	3,738	3,738	3,738	3,738	3,738
Testing & Inspection Services	1,875	1,875	1,875	1,875	1,875	1,875	1,875	938	938	938	938	938
Permits - Impact Fees	11,989	11,989	11,989	11,989	11,989	11,989	11,989	2,997	2,997	2,997	2,997	2,997
Utilities - Connection Fees	14,513	14,513	14,513	14,513	14,513	14,513	14,513	4,838	4,838	4,838	4,838	4,838
Printing and Delivery	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	500	500	500	500
Attorney - Construction	-	-	-	-	-	-	-	-	-	-	-	-
Attorney - Leasing	2,813	2,813	2,813	2,813	2,813	2,813	2,813	938	938	938	938	938
Leasing Commissions - Apartments	17,747	17,747	17,747	17,747	17,747	17,747	17,747	5,916	5,916	5,916	5,916	5,916
Leasing Commissions - Retail	19,744	19,744	19,744	19,744	19,744	19,744	19,744	6,581	6,581	6,581	6,581	6,581
Development Fee (3.5% Hard)	-	-	-	-	-	-	-	130,816	130,816	130,816	130,816	130,816
Construction Management Fee (5%)	1,898	1,898	1,898	1,898	1,898	1,898	1,898	633	633	633	633	633
Bonds/Letters of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursables	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Soft Costs	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Fees	-	-	-	-	-	-	-	-	-	-	-	-
Sponsor Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Investor Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Soft Costs	83,178	83,178	83,178	83,178	83,178	83,178	83,178	159,956	159,956	159,956	159,956	159,956
Carry Costs to Stabilization												
Real Estate Taxes	2,813	2,813	2,813	2,813	2,813	2,813	2,813	938	938	938	938	938
Insurance	1,125	1,125	1,125	1,125	1,125	1,125	1,125	375	375	375	375	375
Repairs & Maintenance	-	-	-	-	-	-	-	3,000	3,000	3,000	3,000	3,000
Professional & Legal Services	-	-	-	-	-	-	-	12,500	12,500	12,500	12,500	12,500
Utilities	3,375	3,375	3,375	3,375	3,375	3,375	3,375	1,125	1,125	1,125	1,125	1,125
Property Management	-	-	-	-	-	-	-	40,978	40,978	40,978	40,978	40,978
Licenses & Fees	-	-	-	-	-	-	-	3,750	3,750	3,750	3,750	3,750
Indirect Costs	-	-	-	-	-	-	-	18,750	18,750	18,750	18,750	18,750
Overhead, General & Administrative	-	-	-	-	-	-	-	31,250	31,250	31,250	31,250	31,250
Marketing/Promotion/Events	6,750	6,750	6,750	6,750	6,750	6,750	6,750	2,250	2,250	2,250	2,250	2,250
Leasing Office Expenses	1,406	1,406	1,406	1,406	1,406	1,406	1,406	469	469	469	469	469
Subtotal Carry Costs	15,469	15,469	15,469	15,469	15,469	15,469	15,469	115,384	115,384	115,384	115,384	115,384
TOTAL DEVELOPMENT COSTS =	1,068,888	1,068,888	1,068,888	1,068,888	1,068,888	1,068,888	1,068,888	693,007	693,007	693,007	693,007	693,007
Funding Sources:												
Equity, Period	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Equity	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Revenues	137,625	157,350	174,638	199,838	212,438	223,800	232,725	249,788	259,538	268,688	278,250	282,113
Borrow Amount, Period	931,263	911,538	894,251	869,051	856,451	845,088	836,163	443,220	433,470	424,320	414,757	410,895
Cumulative Loan Balance	20,422,981	21,440,889	22,446,811	23,432,772	24,411,268	25,383,499	26,351,868	26,932,337	27,506,079	28,073,659	28,634,634	29,194,667
Interest Rate, Annualized	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest Cost, Period	106,370	111,671	116,910	122,046	127,142	132,206	137,249	140,273	143,261	146,217	149,139	152,056
Accrued Interest	934,946	1,046,617	1,163,528	1,285,573	1,412,715	1,544,921	1,682,171	1,822,443	1,965,704	2,111,921	2,261,060	2,413,115
TOTAL COSTS W/INT CARRY	1,175,258	1,180,559	1,185,799	1,190,934	1,196,030	1,201,094	1,206,137	833,280	836,268	839,224	842,146	845,063
Cumulative	26,603,626	27,784,185	28,969,984	30,160,918	31,356,948	32,558,042	33,764,179	34,597,459	35,433,727	36,272,951	37,115,097	37,960,160
Revenues Prior to Stabilization (Cash B												
Revenues - Apartments	141,250	164,300	187,350	207,950	224,750	236,650	248,550	261,550	274,550	283,500	289,750	294,900
Revenues - Retail/Office	42,250	45,500	45,500	58,500	58,500	61,750	61,750	71,500	71,500	74,750	81,250	81,250
	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Revenues	183,500	209,800	232,850	266,450	283,250	298,400	310,300	333,050	346,050	358,250	371,000	376,150
Cumulative Revenues	765,700	975,500	1,208,350	1,474,800	1,758,050	2,056,450	2,366,750	2,699,800	3,045,850	3,404,100	3,775,100	4,151,250
Net Project Cash Flows	**77,130**	**98,129**	**115,940**	**144,404**	**156,108**	**166,194**	**173,051**	**192,777**	**202,789**	**212,033**	**221,861**	**224,094**
Cumulative Cash	(169,246)	(71,117)	44,822	189,227	345,335	511,529	684,579	877,357	1,080,146	1,292,179	1,514,040	1,738,135

	38 2013 Jul	39 2013 Aug	40 2013 Sep	41 2013 Oct	42 2013 Nov	43 2013 Dec	Spread Total	Paid + Spread Total	ck	ANNUAL TALLY 1 2010	2 2011	3 2012	4 2013
Land Costs													
Land Purchase Price	-	-	-	-	-	-	-	1,250,000	y	-	-	-	-
Subdivision/Assembly Costs	-	-	-	-	-	-	-	95,000	y	-	-	-	-
Land Closing Costs	-	-	-	-	-	-	-	45,000	y	-	-	-	-
Site Planning & Studies	-	-	-	-	-	-	-	80,000	y	-	-	-	-
Off Site Improvements	-	-	-	-	-	-	-	325,000	y	-	-	-	-
Permits - Clearing & Grading	-	-	-	-	-	-	-	20,000	y	-	-	-	-
Subtotal Land Costs	-	-	-	-	-	-	-	1,815,000	y	-	-	-	-
Hard Costs													
Construction - Base Buildings	238,438	238,438	238,438	-	-	-	19,075,000	19,075,000	y	834,531	7,749,219	8,106,875	2,384,375
Construction - Apartments Interiors	120,938	120,938	120,938	-	-	-	6,450,000	6,450,000	y	282,188	1,290,000	3,547,500	1,330,313
Construction - TI Work	12,656	12,656	12,656	-	-	-	675,000	675,000	y	29,531	135,000	371,250	139,219
Construction - Other	2,250	2,250	2,250	-	-	-	120,000	120,000	y	5,250	24,000	66,000	24,750
On Site Improvements	4,063	4,063	4,063	-	-	-	325,000	350,000	y	14,219	132,031	138,125	40,625
Landscaping, Trees & Irrigation	3,750	3,750	3,750	-	-	-	200,000	200,000	y	8,750	40,000	110,000	41,250
Parking & Paving	9,375	9,375	9,375	-	-	-	500,000	500,000	y	21,875	100,000	275,000	103,125
Utilities - Electric	3,125	3,125	3,125	-	-	-	250,000	1,250,000	y	10,938	101,563	106,250	31,250
Utilities - Water & Sewer	1,875	1,875	1,875	-	-	-	150,000	150,000	y	6,563	60,938	63,750	18,750
Utilities - Other	1,250	1,250	1,250	-	-	-	100,000	100,000	y	4,375	40,625	42,500	12,500
Signage	938	938	938	-	-	-	50,000	50,000	y	2,188	10,000	27,500	10,313
Common Area Furnishings	7,500	7,500	7,500	-	-	-	60,000	60,000	y	-	-	-	60,000
Hard Costs - Other	625	625	625	-	-	-	50,000	50,000	y	2,188	20,313	21,250	6,250
Hard Cost Contingency (3%)	10,886	10,886	10,886	-	-	-	870,900	870,900	y	38,102	353,803	370,133	108,863
Subtotal Hard Costs	417,668	417,668	417,668	-	-	-	28,875,900	29,900,900	y	1,260,696	10,057,491	13,246,133	4,311,581
Soft Costs													
Architect - Base Building	1,156	1,156	1,156	-	-	-	185,000	435,000	y	24,281	80,938	68,219	11,563
Engineer - Civil	-	-	-	-	-	-	55,000	180,000	y	37,583	17,417	-	-
Engineer - Geotechnical	-	-	-	-	-	-	20,000	50,000	y	13,667	6,333	-	-
Engineer - Structural	344	344	344	-	-	-	55,000	140,000	y	7,219	24,063	20,281	3,438
Engineer - MEP	281	281	281	-	-	-	45,000	130,000	y	5,906	19,688	16,594	2,813
Landsape Design	94	94	94	-	-	-	15,000	50,000	y	1,969	6,563	5,531	938
Other Design	188	188	188	-	-	-	30,000	30,000	y	3,938	13,125	11,063	1,875
Permits - Building	3,738	3,738	3,738	-	-	-	299,009	299,009	y	13,082	121,472	127,079	37,376
Testing & Inspection Services	938	938	938	-	-	-	75,000	75,000	y	3,281	30,469	31,875	9,375
Permits - Impact Fees	2,997	2,997	2,997	-	-	-	479,556	479,556	y	20,981	188,825	233,784	35,967
Utilities - Connection Fees	4,838	4,838	4,838	-	-	-	258,000	258,000	y	11,288	51,600	141,900	53,213
Printing and Delivery	500	500	500	-	-	-	40,000	40,000	y	1,750	16,250	17,000	5,000
Attorney - Construction	-	-	-	-	-	-	50,000	50,000	y	34,167	15,833	-	-
Attorney - Leasing	938	938	938	-	-	-	50,000	50,000	y	2,188	10,000	27,500	10,313
Leasing Commissions - Apartments	5,916	5,916	5,916	-	-	-	315,500	315,500	y	13,803	63,100	173,525	65,072
Leasing Commissions - Retail	6,581	6,581	6,581	-	-	-	351,000	351,000	y	15,356	70,200	193,050	72,394
Development Fee (3.5% Hard)	130,816	130,816	130,816	-	-	-	1,046,532	1,046,532	y	-	-	-	1,046,532
Construction Management Fee (5%)	633	633	633	-	-	-	33,750	33,750	y	1,477	6,750	18,563	6,961
Bonds/Letters of Credit	-	-	-	-	-	-	60,000	80,000	y	41,000	19,000	-	-
Reimbursables	-	-	-	-	-	-	52,000	60,000	y	35,533	16,467	-	-
Financing Fees	-	-	-	-	-	-	100,000	100,000	y	68,333	31,667	-	-
Other Soft Costs	-	-	-	-	-	-	100,000	100,000	y	68,333	31,667	-	-
ADJUSTMENT	-	-	-	-	-	-	-	-	y	-	-	-	-
Construction Loan Fees	-	-	-	-	-	-	300,000	300,000	y	205,000	95,000	-	-
Sponsor Financing Fees	-	-	-	-	-	-	-	-	y	-	-	-	-
Investor Financing Fees	-	-	-	-	-	-	100,000	100,000	y	68,333	31,667	-	-
	-	-	-	-	-	-	-	-	y	-	-	-	-
	-	-	-	-	-	-	-	-	y	-	-	-	-
Subtotal Soft Costs	159,956	159,956	159,956	-	-	-	4,115,347	4,753,347	y	698,467	968,091	1,085,962	1,362,826
Carry Costs to Stabilization													
Real Estate Taxes	938	938	938	-	-	-	50,000	50,000	y	2,188	10,000	27,500	10,313
Insurance	375	375	375	-	-	-	20,000	20,000	y	875	4,000	11,000	4,125
Repairs & Maintenance	3,000	3,000	3,000	-	-	-	24,000	24,000	y	-	-	-	24,000
Professional & Legal Services	12,500	12,500	12,500	-	-	-	100,000	100,000	y	-	-	-	100,000
Utilities	1,125	1,125	1,125	-	-	-	60,000	60,000	y	2,625	12,000	33,000	12,375
Property Management	40,978	40,978	40,978	-	-	-	327,820	327,820	y	-	-	-	327,820
Licenses & Fees	3,750	3,750	3,750	-	-	-	30,000	30,000	y	-	-	-	30,000
Indirect Costs	18,750	18,750	18,750	-	-	-	150,000	150,000	y	-	-	-	150,000
Overhead, General & Administrative	31,250	31,250	31,250	-	-	-	250,000	250,000	y	-	-	-	250,000
Marketing/Promotion/Events	2,250	2,250	2,250	-	-	-	120,000	120,000	y	5,250	24,000	66,000	24,750
Leasing Office Expenses	469	469	469	-	-	-	25,000	25,000	y	1,094	5,000	13,750	5,156
Subtotal Carry Costs	115,384	115,384	115,384	-	-	-	1,156,820	1,156,820	y	12,031	55,000	151,250	938,539
TOTAL DEVELOPMENT COSTS =	693,007	693,007	693,007	-	-	-	34,148,067	37,626,067		1,971,194	11,080,582	14,483,345	6,612,946
Funding Sources:													
Equity, Period	-	-	-	-	-	-	2,022,000	5,500,000	y	1,971,194	50,806	-	-
Cumulative Equity	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000							
Cash Revenues	288,413	296,138	298,988	304,275	306,300	309,750	4,917,300	4,917,300	y	-	12,600	1,529,738	3,374,963
Borrow Amount, Period	404,595	396,870	394,020	-	-	-	28,129,092	28,129,092	!	-	11,017,176	12,953,607	4,158,308
Cumulative Loan Balance	29,751,317	30,303,142	30,854,990	31,015,693	31,177,233	31,339,615							
Interest Rate, Annualized	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%							
Interest Cost, Period	154,955	157,829	160,703	161,540	162,381	163,227	3,373,751	3,373,751	y	-	322,693	1,222,228	1,828,829
Accrued Interest	2,568,070	2,725,899	2,886,602	3,048,142	3,210,523	3,373,751							
TOTAL COSTS W/INT CARRY	847,962	850,836	853,710	161,540	162,381	163,227				1,971,194	11,403,275	15,705,573	8,441,775
Cumulative	38,808,122	39,658,958	40,512,668	40,674,208	40,836,590	40,999,817							
Revenues Prior to Stabilization (Cash B													
Revenues - Apartments	300,050	303,850	307,650	311,450	314,150	315,500	5,100,400	5,100,400	y	-	10,300	1,584,650	3,505,450
Revenues - Retail/Office	84,500	91,000	91,000	94,250	94,250	97,500	1,456,000	1,456,000	y	-	6,500	455,000	994,500
	-	-	-	-	-	-	-	-	y	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	y	-	-	-	-
	-	-	-	-	-	-	-	-	y	-	-	-	-
Subtotal Revenues	384,550	394,850	398,650	405,700	408,400	413,000	6,556,400	6,556,400	y	-	16,800	2,039,650	4,499,950
Cumulative Revenues	4,535,800	4,930,650	5,329,300	5,735,000	6,143,400	6,556,400							
Net Project Cash Flows	**229,595**	**237,021**	**237,947**	**548,435**	**552,319**	**559,523**	4,102,974	4,102,974		-	(305,893)	817,422	3,591,446
Cumulative Cash	1,967,730	2,204,751	2,442,698	2,991,133	3,543,452	4,102,974							

Village at Odenton Station		
SUMMARY OF PRO FORMA RESULTS		
Exhibit 4.2		
PROJECT HIGHLIGHTS		
	Property Name	Village at Odenton Station
	City, State	Odenton, MD
	County	Anne Arundel
	Zoning	OTC - Core
	Allowable FAR	4.0
	Land Area (LSF)	290,545
	Gross Building Area (GSF)	381,500
	Planned FAR	1.3
	Number of Buildings	4
	Above Grade Floors per Building	4
	Units:	
	1 Bedroom Apartments	64
	2 Bedroom Apartments	194
	3 Bedroom Apartments	-
	Total Apartments	258
	Retail Area (GLA)	60,100
	Construction Start Date	1-Jun-2010
	Open for Occupancy	1-Nov-2011
	Anticipated Stabilization	1-Jul-2013
INVESTMENT SUMMARY		
Development Costs/Uses:		
	Land Cost	$ 1,815,000
	Hard Costs	$ 29,900,900
	Soft Costs	$ 4,753,347
	Carry Costs to Stabilization	$ 4,530,571
	Total Development Costs =	$ 40,999,817
Sources of Funds:		
	Mortgage Loan	$ 31,502,842
	Equity including Land	$ 5,500,000
	Revenues Prior to Stabilization	$ 6,556,400
	Stabilized First Year NOI	$ 3,678,745
Summary Returns:		
	Cap Rate @ Stabilization	8.97%
	Cash on Cash @ Stabilzation	25.71%
	Mean Project IRR - Stabilize + 5 yrs	-11.44%
	Mean Investor IRR - Stabilize + 5 yrs	-9.61%

PRO FORMA DISCOUNTED CASH FLOW (DCF)
MIXED USE INVESTMENT
Village at Odenton Station
Exhibit 4.3

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	Prior	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
INCOME																						
Development Period		$ -	$ 16,800	$ 2,039,650	$ 4,499,950	$ -	$ -	$ -														
Operating Period		$ -	$ -	$ -	$ -	$ 5,327,090	$ 5,452,770	$ 5,579,563	$ 5,664,759	$ 5,432,980	$ 5,867,259	$ 6,002,470	$ 6,122,655	$ 5,941,515	$ 5,987,117	$ 6,374,690	$ 6,497,021	$ 6,718,728	$ 6,472,197	$ 7,036,530	$ 6,776,394	$ 7,196,266
Effective Gross Income (EGI)	$ -	$ -	$ 16,800	$ 2,039,650	$ 4,499,950	$ 5,327,090	$ 5,452,770	$ 5,579,563	$ 5,664,759	$ 5,432,980	$ 5,867,259	$ 6,002,470	$ 6,122,655	$ 5,941,515	$ 5,987,117	$ 6,374,690	$ 6,497,021	$ 6,718,728	$ 6,472,197	$ 7,036,530	$ 6,776,394	$ 7,196,266
EXPENSES																						
Development Period	$3,478,000	$ 1,971,194	$ 11,403,275	$ 15,705,573	$ 8,441,775	$ -	$ -	$ -														
Operating Period			$ -	$ -	$ -	$ 1,648,345	$ 1,675,621	$ 1,720,462	$ 1,773,324	$ 1,820,987	$ 1,889,368	$ 1,942,468	$ 1,997,922	$ 2,049,447	$ 2,110,472	$ 2,187,234	$ 2,265,098	$ 2,335,856	$ 2,395,756	$ 2,486,402	$ 2,555,413	$ 2,648,400
Subtotal Expenses	$ 3,478,000	$ 1,971,194	$ 11,403,275	$ 15,705,573	$ 8,441,775	$ 1,648,345	$ 1,675,621	$ 1,720,462	$ 1,773,324	$ 1,820,987	$ 1,889,368	$ 1,942,468	$ 1,997,922	$ 2,049,447	$ 2,110,472	$ 2,187,234	$ 2,265,098	$ 2,335,856	$ 2,395,756	$ 2,486,402	$ 2,555,413	$ 2,648,400
NET OPERATING INC (NOI)	($3,478,000)	($1,971,194)	($11,386,475)	($13,665,923)	($3,941,825)	$3,678,745	$3,777,149	$3,859,101	$3,891,435	$3,611,993	$3,977,891	$4,060,001	$4,124,734	$3,892,068	$3,876,645	$4,187,456	$4,231,923	$4,382,871	$4,076,440	$4,550,128	$4,220,981	$4,547,866
Permanent Debt Service																						
Interest		$ -	$ -	$ -	$ -	$ 1,968,928	$ 1,956,983	$ 1,944,291	$ 1,930,806	$ 1,916,479	$ 1,901,256	$ 1,885,081	$ 1,867,896	$ 1,849,636	$ 1,830,236	$ 1,809,622	$ 1,787,721	$ 1,764,450	$ 1,739,726	$ 1,713,456	$ 1,685,544	
Principal		$ -	$ -	$ -	$ -	$ 191,120	$ 203,065	$ 215,756	$ 229,241	$ 243,569	$ 258,792	$ 274,966	$ 292,152	$ 310,411	$ 329,812	$ 350,425	$ 372,327	$ 395,597	$ 420,322	$ 446,592	$ 474,504	
Capital Expenses																						
Retail Commissions						35,880	-	-	148,857	208,655	24,595	-	-	219,096	270,803	56,869	59,876	-	256,417	52,565	179,599	
Retail Tenant Improvements						69,000	-	-	135,954	403,064	20,183	-	-	493,525	497,473	48,970	104,622	-	614,994	57,563	397,188	
Major Renovations		-	-	-	-	-	38,532	38,541	38,553	38,573	38,592	109,447	38,626	38,647	222,747	38,698	152,404	38,746	620,311	497,919	621,069	
Subtotal Capital	$ -	$ -	$ -	$ -	$ -	$ 104,880	$ 38,532	$ 38,541	$ 323,364	$ 650,292	$ 83,370	$ 109,447	$ 38,626	$ 751,268	$ 991,023	$ 144,537	$ 316,902	$ 38,746	$ 1,491,722	$ 608,048	$ 1,197,855	
Debt Coverage Ratio (DCR)		0.00	0.00	0.00	0.00	1.70	1.75	1.79	1.80	1.67	1.84	1.88	1.91	1.80	1.79	1.94	1.96	2.03	1.89	2.11	1.95	
CASH FLOWS																						
Before Tax Cash Flows	($3,478,000)	($1,971,194)	($11,386,475)	($13,665,923)	($3,941,825)	$1,413,818	$1,578,570	$1,660,513	$1,408,024	$801,654	$1,734,474	$1,790,507	$1,926,061	$980,752	$725,574	$1,882,872	$1,754,974	$2,184,078	$424,671	$1,782,033	$863,079	
Cash on Cash Return					($5,500,000)	25.7%	28.7%	30.2%	25.6%	14.6%	31.5%	32.6%	35.0%	17.8%	13.2%	34.2%	31.9%	39.7%	7.7%	32.4%	15.7%	
Cash Flows IRR - Start to Year						-45.8%	-31.8%	-23.1%	-17.6%	-14.4%	-11.0%	-8.4%	-6.3%	-5.1%	-4.2%	-3.0%	-2.1%	-1.2%	-0.9%	-0.3%	0.0%	
Exit Cap					10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.75%	10.75%	10.75%	10.75%	10.75%	11.00%	11.00%	11.00%	11.00%	11.00%	11.25%	
Reversion						$35,972,848	$36,753,347	$37,061,288	$34,399,935	$37,884,676	$37,767,452	$38,369,616	$36,205,286	$36,061,816	$38,953,081	$38,472,031	$39,844,285	$37,058,548	$41,364,804	$38,372,557	$40,425,474	
Debt Payoff						$31,311,722	$31,108,657	$30,892,901	$30,663,660	$30,420,091	$30,161,299	$29,886,333	$29,594,182	$29,283,770	$28,953,959	$28,603,534	$28,231,207	$27,835,610	$27,415,288	$26,968,696	$26,494,192	
Sales Costs						$1,259,050	$1,286,367	$1,297,145	$1,203,998	$1,325,964	$1,321,861	$1,342,937	$1,267,185	$1,262,164	$1,363,358	$1,346,521	$1,394,550	$1,297,049	$1,447,768	$1,343,039	$1,414,892	
Cash Flows	($3,478,000)	($1,971,194)	($11,386,475)	($13,665,923)	($3,941,825)	$4,815,894	$5,936,893	$6,531,755	$3,940,301	$6,940,275	$8,018,766	$8,930,853	$7,269,980	$6,496,634	$9,361,338	$10,404,849	$11,973,501	$10,109,967	$12,926,418	$11,842,855	$13,379,469	
IRR - Start to Sale						-30.7%	-15.6%	-7.2%	-3.7%	0.0%	2.7%	4.6%	5.7%	6.3%	7.1%	7.7%	8.2%	8.5%	8.8%	9.0%	9.1%	
Distributions:																						
Sponsor Member																						
Cash incl. Sale	($3,478,000)	($1,241,852)	($7,173,479)	($8,609,532)	($2,483,350)	$3,034,013	$3,740,243	$4,115,006	$2,482,390	$4,372,373	$5,051,823	$5,626,438	$4,580,088	$4,092,880	$5,897,643	$6,555,055	$7,543,306	$6,369,279	$8,143,644	$7,460,998	$8,429,065	
IRR through Sale						-32.3%	-17.2%	-8.7%	-5.0%	-1.3%	1.5%	3.5%	4.7%	5.4%	6.2%	6.9%	7.5%	7.8%	8.1%	8.3%	8.5%	
Investor Member																						
Cash incl. Sale		($729,342)	($4,212,996)	($5,056,392)	($1,458,475)	$1,781,881	$2,196,650	$2,416,749	$1,457,911	$2,567,902	$2,966,943	$3,304,416	$2,689,893	$2,403,755	$3,463,695	$3,849,794	$4,430,196	$3,740,688	$4,782,775	$4,381,856	$4,950,403	
IRR through Sale						-32.5%	-14.0%	-4.3%	-0.5%	3.3%	6.0%	7.9%	8.8%	9.2%	9.8%	10.3%	10.7%	10.9%	11.1%	11.1%	11.2%	
	Equity Hurdle:	20.0%																				

DUE DILIGENCE CHECKLIST			
Village at Odenton Station			
Exhibit 5.1			
			Before/After
	Topic	Document	Closing
Land Purchase			
	Contract of Sale		
		Agreement	B
		Exhibit A - Final Subdivision Plat	B
		Exhibit B - Legal Description	B
	Holdbacks/Escrows		
		Escrow Agreement	B
		Exhibit A - Amounts & Release Schedule	B
	Title Insurance		
		Commitment with Conditons/Exceptions	B
		ALTA Survey	B
		Title Policy	B
Joint Venture			
	JV Agreement		B
		Amended Articles of Organization	B
		Amended & Restated Operating Agreement	B
		Exhibits	B
	Property Management		
		Property Management Agreement	B
		Leasing Agreements	B
	Development/CM		
		Development Agreement	B
		Exhibits	B
	Project Reporting - Monthly		A
On-Site Improvements			
		Zoning Determination Letter	B
	Site Plan		
		Easements Recorded	B
		Final Approval	B
		Developer responsibilities agreements (DRRA)	B
		Public works agreements	B
		Covenants, Conditions & Restrictions (CCRs)	B
		Subdivision Plat	B
	Improvement Plans		
		Site Drawings	B
		SWM Calculations	B
		APFO Calculations	B
		State permits	B
		Inspection & Maintenance Agreement(s)	B
		Public areas bonding	B
		Approval of Plans	B
		Bonding	B
		Mass Grading/Sedimentation Control Permits	B
	Base Building Drawings		
		Permit Set (90%)	B
		100% CDs	A

DUE DILIGENCE CHECKLIST			
Village at Odenton Station			
Exhibit 5.1			
			Before/After
	Topic	Document	Closing
		Common Areas/Landscpaping Design	A
		Site Signage Design	A
	Project Manual/Specs		A
	Permits		
		Building Permit	A
		Apartment Permits	A
		Trade Permits	A
Utilities			
	Natural Gas Service		
		Application for service	B
		Commitment Letter from BGE	B
	Water Service		
		Water Service Contract	B
	Sewer Service		
		Sewer Service Contract	B
	Electric Service		
		Approval of relocated transmission lines	B
		BGE easements	B
		Class of service request	B
		Commitment letter	B
	Telecommunications		
		Phone Service to demarcation	A
		CATV	A
General Contractor			
		Agreement	B
		Exhibit A - Hazardous Materials	B
		Exhibit B - Labor Rates	B
		Exhibit C - Clarifications	B
		Exhibit D - Construction Docs	B
		Exhibit E - Schedule	B
		Exhibit F - Weather Days & Delays	B
		Exhibit G - Project Criteria	B
		Exhibit H - Schedule of Values / GMP	B
		Performance & Payment Bonds	B
		CGL Insurance	B
		Builder's Risk Insurance	B
Project Schedule			
		Construction Schedule	B
		Off Site Improvements Schedule(s)	B
		60 day Look Ahead	A
Project Budget			
		Commitments Tracking	A
		Tenant Allowance/Costs/Credits Tracking	A
		Base Building Changes Tracking	A
Project Cash Flow			
		Draw Projections	B
		Expenses Paid to Date	B
		Draw Packages	A

DUE DILIGENCE CHECKLIST			
Village at Odenton Station			
Exhibit 5.1			
			Before/After
	Topic	Document	Closing
Architect and Engineers			
		Agreements	B
		Additional Services	B
		Certificates of Insurance	B
		Design Certifications	B
Retail Tenants			
		Letters of Intent	B
		Signed Leases	A
		Rentable area calculations	A
Lender Requirements			
		Commitment Letter	B
		Loan Documents	B
		Assignment of Contracts	B
		Assignment of Management Agreement	B
		Assignment of Development Agreement	B
		Architect's Consent	B
		Engineer's Consent	B
		Contractor's Consent	B
		Subordination, Non-disturbance and Attornment (SNDA)	B
		Settlement Sheet	B